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FINANCIAL AID IN MINNESOTA:

A STATUS REPORT

AS OF

JUNE 30, 1980

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Prepared by the Staff of the
HIGHER EDUCATION COORDINATING BOARD

October 30, 1980

SUMMARY

This paper reports on the status of the post-secondary financial aid and tuition reciprocity programs administered by the Minnesota Higher Education Coordinating Board. Part I reviews the historical development of federal and state financial aid programs and points to issues which will shape the future of these programs. Part II outlines the financial aid process with special focus on the need analysis which is central to the determination of eligibility for most financial aid programs. The reader is also given an overview of the packaging of aid from a variety of federal, state, institutional, and private sources.

General Highlights

- 1) Over 65,000 students received approximately \$90 million in state financial assistance in Fiscal Year 1980. Of that total, \$37 million was appropriated by the Minnesota Legislature and the remaining \$53 million was financed by revenue bonds at no cost to the state.
- 2) Compared with other states, Minnesota ranks fifth in per capita expenditures for need based aid behind New York, Illinois, Pennsylvania and Vermont.

Grant Program Highlights

- 1) The number of applications to the Minnesota State Scholarship and Grant Programs reached an all-time high of 57,503 in Fiscal Year 1980. Number of awards, average size of award, and total spending dropped slightly from Fiscal Year 1979 due to larger awards and expanded eligibility in the federal Basic Educational Opportunity Grant Program.
- 2) Average combined state scholarship and grant and federal Basic Educational Opportunity Grant awards to state program recipients increased from \$1,158 in Fiscal Year 1979 to \$1,408 in Fiscal Year 1980.
- 3) Cost of education estimates to be used by the Minnesota State Scholarship and Grant Programs in 1980-81 were revised in March, 1980, to adjust for the impact of inflation and changes in the BEOG program.
- 4) The AVTI Tuition Subsidy Program experienced a 94% increase in students served between Fiscal Year 1979 and Fiscal Year 1980.
- 5) The Part-Time Student Grant Program aided 1,448 students in Fiscal Year 1980 with an average annual award of \$167.

Loan Program Highlights

- 1) Loans from the Minnesota State Student Loan Program increased from 21,700 with a dollar value of \$38.6 million in Fiscal Year 1979 to 28,856 with a value of \$51.5 million in Fiscal Year 1980.
- 2) Volume increases in loans from the Minnesota State Student Loan Program were accompanied by only a slight increase in average loan size from \$1,775 in Fiscal Year 1979 to \$1,786 in Fiscal Year 1980.
- 3) The 1980 Legislature increased the bond ceiling for the Minnesota State Student Loan Program to \$300 million. Coordinating Board staff estimates indicate that the ceiling will have to be raised to \$550 million effective June 1, 1981.

Work-Study Program Highlights

- 1) The Minnesota State Work-Study Program appropriation for Fiscal Year 1980 was 96 percent utilized.
- 2) Average earnings in the Minnesota State Work-Study Program increased from \$332 in Fiscal Year 1979 to \$436 in Fiscal Year 1980, due in part to an increase in the minimum wage.

Interstate Reciprocity Program Highlights

- 1) Combined participation in all reciprocity programs by Minnesota residents increased by approximately 2,500 between Fiscal Year 1978 and 1980; participation by residents of neighboring states increased by 1,732.

- 2) Significant savings to the state of Minnesota were realized by a renegotiation of the reciprocity agreement with the state of Wisconsin in the fall of 1979.

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PART I

INTRODUCTION AND BACKGROUND

A. INTRODUCTION

Minnesota has developed a comprehensive statewide student financial assistance program which attempts to ensure access to post-secondary education for all citizens and to promote choice among diverse opportunities. More than 65,000 students now receive an estimated \$90 million each year under 14 programs administered by the Higher Education Coordinating Board. This report describes the status of these state financial aid programs.

While thousands of students rely on the state programs to help pay for their education, they also use funds from several non-state sources as well as their own earnings and savings. Student financial assistance comes from a variety of sources. The largest source for undergraduate students is the federal government. Several of the state programs are coordinated with the federal programs. These relationships are described in this report. Many colleges have extensive aid funds of their own to supplement the governmental assistance. And, many other public and private sources offer assistance to

students. Thus, only when combined with aid from federal, institutional and private sources, do the state programs provide a comprehensive package of assistance for students.

Minnesota, through financial aid programs, now makes a significant investment directly to students. However, this type of student support is only one element of the state's overall investment in post-secondary education. It constitutes about five percent of the state's overall funding for post-secondary education. Thus, the programs described in this report are part of a much larger financing framework of which the largest elements are direct state subsidies to institutions and tuition paid by students.

This report is intended to help policymakers, post-secondary education officials and other interested parties assess how well the state's financial aid programs are meeting their objectives, to identify any problems that require attention and to form the basis for addressing long-range policy issues.

The first of the report's three parts outlines the development of the state and federal financial aid programs and explains the Coordinating Board's long range planning efforts in financial aid.

Part Two provides an overview of the process by which a package of financial aid is developed for students. It also includes a description of the need analysis process.

Part Three reports on the status of the state student aid programs. The objectives, statutory authority, background and status of each program are summarized. Data are presented for Fiscal Years 1979 and 1980. This part is organized by type of program -- grant programs, loan programs, work programs and reciprocal tuition programs. The largest of the programs are the State Scholarship and Grant-in-Aid Programs, State Student Loan Program and

Work-Study Program; they affect the broadest range and largest number of students. The remaining programs serve a more specific clientele. These programs include the Nursing Grant Program, Part-Time Student Grant Program, AVTI Tuition Subsidy Program, Veterans' Dependents Program, Medical and Osteopathy Loan Program and Foreign Student Program.

B. HISTORY OF FINANCIAL AID

Student financial assistance has undergone a significant expansion over the last three decades as a result of the development of major federal and state aid programs. These programs have been instrumental in providing increased access and choice to students as the objective of financial assistance has broadened from rewarding scholastic achievement toward the removal of economic barriers to higher education.

1. Development of Federal Programs

The first major federal program was the G.I. Bill instituted after World War II. The program provided aid to approximately 7.8 million World War II veterans and later to veterans of the Korean and Viet Nam Wars. With continuing technological development in the 1950s, the federal government recognized that a highly educated manpower base was in the nation's interests. Thus in 1958, Congress created the National Defense Student Loan Program (now entitled the

National Direct Student Loan Program) to provide long term, low interest loans to students of high academic ability and financial need, especially those enrolled in math, science, foreign languages, or education programs.

During the 1960s the federal government took the first major steps toward using financial aid to promote increased access through the removal of economic barriers. The Higher Education Act of 1965 provided for grants to students of exceptional financial need through the Educational Opportunity Grant Program (which has been retitled the Supplemental Educational Opportunity Grant Program). It also expanded the 1964 College Work-Study Program, which provided for part-time employment opportunities for students in need of financial assistance, and established the Federally Insured Student Loan Program to supplement the National Direct Student Loan Program.

The Education Amendments of 1972 continued the federal government's commitment to providing assistance to students with financial need by establishing an entitlement program, the Basic Educational Opportunity Grant Program. This program guarantees a base amount of grant assistance to every student who demonstrates financial need according to specified criteria. The Educational Amendments of 1976 raised the maximum award from \$1,400 to \$1,600. The Middle Income Student Assistance Act, passed by Congress in 1978, liberalized federal benefits and eligibility requirements even further by raising the maximum Basic Grant to \$1,800 and covering the interest on federally insured student loans for all students, regardless of income, while the student is in school. Congress in fall of 1980 approved the Higher Education Amendments of 1980, and President Carter signed the legislation. The act extends the major U.S. financial aid programs for five years and amends several of their provisions. Student Assistance programs affected include the Basic Educational Opportunity Grant Program, the Guaranteed Student Loan Program, the College

Work-Study Program, the Supplemental Opportunity Grant Program and the National Direct Student Loan Program.

2. Development of State Programs

The major Minnesota financial aid and tuition reciprocity programs all have been established since 1967 (see Table 1). The first was the State Scholarship Program. The most recent was the tuition reciprocity program with South Dakota in 1978.

The growth of funds committed to financial aid programs by the Minnesota Legislature is evident in Table 2. In Fiscal Year 1969 \$250,000 was appropriated for state scholarships and \$125,000 was provided for nursing grants. By the end of Fiscal Year 1980 the state's involvement had grown to 14 programs and close to \$90 million. State appropriations for these programs had grown to \$37 million, and the balance of \$52 million was funded by the Coordinating Board through the issuance of tax-exempt revenue bonds for the State Student Loan Program.

TABLE 1

KEY DATES IN HISTORY OF FINANCIAL AID

- 1944 Serviceman's Readjustment Act (The G.I. Bill) passed.
- 1958 National Defense Student Loan Program created as part of the National Defense Education Act.
- 1964 College Work-Study Program authorized by the Economic Opportunity Act of 1964.
- 1965 Federal Higher Education Act passed.
- 1967 Minnesota State Scholarship Program authorized.
- 1969 Minnesota State Grant-in-Aid Program authorized.
Minnesota-Wisconsin Tuition Reciprocity initiated on a limited basis.
- 1972 Basic Educational Opportunity Grants established by the Educational Amendments of 1972.
- 1973 Minnesota State Student Loan Program authorized.
- 1975 Minnesota State Work-Study Program created.
- 1976 Minnesota-North Dakota Tuition Reciprocity implemented.
Federal Educational Amendments of 1976 passed.
- 1977 Minnesota Part-Time Student Grant Program enacted.
Minnesota AVTI Tuition Subsidy Program authorized.
- 1978 Federal Middle Income Student Assistance Act passed.
Minnesota-South Dakota Tuition Reciprocity implemented.
- 1980 Federal Education Amendments of 1980 passed.

Table 2

STATE APPROPRIATIONS FOR STUDENT ASSISTANCE FISCAL YEARS 1968-1980

	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980
Grants													
Scholarships		250,000	575,000	857,000	1,590,000	2,500,000	3,175,000	3,875,000	5,000,000	5,750,000	7,589,0533	9,163,951	10,096,400
Grant-in-Aid			200,000	600,000	1,040,000	2,200,000	3,125,000	3,875,000	8,500,000	9,400,000	13,650,000	16,650,000	12,103,600
Nursing Grants	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000 ³			-
Subtotal	125,000	375,000	900,000	1,582,000	2,755,000	4,825,000	6,425,000	7,775,010	13,625,000	15,275,000	21,239,033	25,813,951	22,200,000
AVTI Subsidy												3,600,000	1,792,500
Part Time Grant											250,000	500,000	375,000
Vets Dependents								10,000	10,000	10,000	10,000	10,000	2,000
TOTAL	125,000	375,000	900,000	1,582,000	2,755,000	4,825,000	6,425,000	7,785,000	13,635,000	15,285,000	21,499,033	29,923,951	24,369,500
Loans and Work Study													
GSLP ¹							579,000	15,800,000	22,900,000	24,700,000	27,700,000	38,500,000	51,500,000
MMOLP ²							232,300	300,722	315,850	303,800	463,000	475,000	576,000
Work Study									500,000	1,250,000	1,600,000	1,600,000	2,600,000
Foreign Student								80,000	80,000	80,000	80,000	80,000	45,000
TOTAL	-	-	-	-	-	-	811,300	16,180,722	23,795,850	26,333,800	29,843,000	40,655,000	54,721,000
Reciprocity									4,732,938	4,907,700	6,094,870	6,627,800	10,075,500
TOTAL ALL PROGRAMS	125,000	375,000	900,000	1,582,000	2,755,000	4,825,000	7,236,300	23,965,732	42,163,788	46,526,500	57,436,903	77,206,751	89,166,000
TOTAL STATE MONIES ⁴	125,000	375,000	900,000	1,582,000	2,755,000	4,825,000	6,425,000	7,865,010	18,947,938	21,522,700	29,273,903	38,231,751	37,090,000

¹Guaranteed Student Loan Program Amounts reflect loan advances

²Minnesota Medical and Osteopathy Loan Program

³Included in Grants-in-Aid subsequent to FY 1977

⁴Total all programs less GSL & MMOLP which are financed by issuance of tax exempt revenue bonds by the Minnesota Higher Education Coordinating Board.

C. LONG RANGE CONSIDERATIONS

Minnesota financial aid programs were developed during a period characterized by state budget expansion, increasing enrollments, high level of citizen taxpayer support for higher education, a growing labor force, low unemployment rates, single digit inflation rates, economic growth, high level of social-consciousness, as well as generally liberal political climates on both the state and federal levels.

In the 1980s, however, the following broad questions need to be examined:

1. To what extent are the environmental characteristics of the 1960s and 1970s likely to continue into the 1980s?
2. Is the mix of state grants, loans, work and reciprocity programs appropriate for the 1980s?
3. What changes, if any, will take place in the federal role toward support for post-secondary students? How will this affect state programs?

4. Are the existing programs meeting the needs for which they were designed or can those needs be met by better methods?
5. Can essential programs be made more efficient and cost effective?
6. What is the role of financial aid in the overall picture of state funding for higher education?

In an effort to answer these and other related questions, the Coordinating Board staff commenced a year long study in the spring of 1980. A policy paper and report of recommendations will be made to the Board in 1981.

PART II

THE FINANCIAL AID PROCESS

A. INTRODUCTION

Two major steps must occur between the time a student applies for assistance to help pay for his or her educational costs and the time he or she receives aid. First, the student and his or her family must subject their financial circumstances to an analysis. Upon completion of this analysis, the packaging of aid begins. A package may consist of several types of aid from a variety of sources. This section describes how need is estimated and how a package of financial aid is developed.

B. ESTIMATION OF STUDENT FINANCIAL NEED

The basic assumption underlying financial aid programs at the federal and state levels is that the primary responsibility for funding a student's post-secondary education rests with the student and his or her family. Since family circumstances vary, it is necessary to make some estimate of the individual family's financial ability to meet educational costs. This analysis process is referred to as the "need analysis". Some aid programs, such as the federal Basic Opportunity Grant Program, use a specialized analysis. Most programs including the major Minnesota programs use a common analysis model called the Uniform Methodology, which is described below:

1. The Uniform Methodology¹

To ensure consistency and fairness in student financial aid, the major need analysis services follow a model that is developed and adjusted annually

¹ Paraphrased from American College Testing Program Handbook 1980-81.

by a national jury and is approved by the U.S. Office of Education.² This consensus model is called the Uniform Methodology. It was developed in 1974-75 and is refined annually. It is based on the following five principles:

1. To the extent that they are able, parents have the primary responsibility to pay for their children's education.
2. Parents will, as they are able, contribute funds for their sons' and daughters' education.
3. Students, as well as their parents, have a responsibility to help pay for their education.
4. The family should be accepted in its present financial condition.
5. A need analysis system must evaluate families in a consistent and equitable manner, while recognizing that special circumstances can and do alter a family's ability to contribute.

The Uniform Methodology procedures differ somewhat in their treatment of dependent and self-supporting students; each is described below.

(a) Need Analysis for Dependent Students

The first step in need analysis under the Uniform Methodology is to calculate the family's ability to pay for education. Three categories of family resources enter into this calculation; parents' income, parents' assets, and student's resources.

In analyzing parents' income, allowances are made for normal living expenses over which the family has little control, such as taxes, medical care, and family maintenance (housing, food, clothing, etc.). These allowances are deducted from the parents' income. A portion of the remaining income is considered available to help pay for education. Because assets are another measure of financial strength, a portion of the parents' assets is assumed

² There are numerous need analysis services of which the College Scholarship Service and the American College Testing Program are the most prominent.

to be available for educational costs. The rest is protected for retirement and other purposes. The amount protected increases with the age of the main wage earner. The total parents' contribution toward educational expenses is the sum of reasonable contributions from both income and assets.

The student's contribution then is added to the total parents' contribution to yield the total family contribution. About one-third of the student's assets is expected to be available each year for educational expenses. The student also is expected to contribute from such resources as summer earnings, Veteran's Administration benefits, Social Security benefits, and any other income.

Finally, to arrive at the student's financial need, the total family contribution is subtracted from the cost of attending a specific post-secondary institution. The student's financial need may vary significantly from school to school due to differences in educational costs. The cost of attending any given institution is the sum of tuition and fees, room and board, travel, books and supplies, and personal expenses. The following example summarizes the major elements of need analysis.

Cost of Education			\$5,000
Parent Contribution:			
From Income	\$800		
From Assets	<u>300</u>	1100	
Student Contribution:			
From Income	\$100		
From Assets	<u>50</u>	150	
Total Family Contribution			<u>\$1,250</u>
Financial Need			<u><u>\$3,750</u></u>

Of course, any family's financial circumstances can change unexpectedly, for better or worse. If this happens the student notifies the college financial aid office so that the aid package can be adjusted. No student should receive more financial aid than he or she really needs nor should any student have to pass up post-secondary education opportunities because of

unforeseen financial difficulties.

(b) Need Analysis for Self-Supporting Students

In the Uniform Methodology, a self-supporting student is one who (1) has received no financial support from his or her parents (excluding amounts of \$750 or less a year), (2) does not live with his or her parents for more than six weeks in a year, and (3) is not claimed as an income tax exemption on his or her parents' federal or state tax returns. These conditions must not have existed during the current or previous calendar year.

The methodology for calculating awards for self-supporting students is similar to the dependent student with the following exceptions:

1. The self-supporting student's earnings are based on the student's estimate of what he or she will earn during the nine month period he or she is in school. Estimated income data are used because they may differ significantly from prior years actual earnings.
2. The self-supporting student's assets are protected on a graduated scale depending on age. Self-supporting students under 25 receive no protection. For those 26 and older the protection ranges from \$700 at age 26 up to \$21,000 for students 40 and older.
3. The self-supporting student also receives a household maintenance allowance depending on the number of dependents in his or her family. The single self-supporting student receives no allowance. Students with one dependent receive an allowance of \$1,360. The allowance for students with one or more dependents ranges from \$1,360 up to \$7,290 plus \$900 for each additional dependent in households of more than six people.

The calculation for the self-supporting student is summarized in the following example:

Cost of Education			\$5,000
Student Contribution			
From Income		\$2,000	
From Assets	\$1,000		
(Less Protection Allowance)	<u>(500)</u>	<u>500</u>	
Total Student Contribution		\$2,500	
(Less Maintenance Allowance)		<u>1,500</u>	
Adjusted Student Contribution			<u>\$1,000</u>
Financial Need			<u>\$4,000</u>

C. PACKAGING OF FINANCIAL AID

Upon completion of the need analysis the process of constructing a package of financial aid for the student begins. The foundation of the financial aid package consists of need-based grants from federal and state programs.

1. State and Federal Grant Programs

The Basic Educational Opportunity Grant Program (BEOG) is a federal entitlement program which in 1979-80 offered awards covering up to 50% of the cost of education, and ranged from \$200 to \$1,800 to any student who demonstrated need and attended an eligible institution. A student must maintain at least a half-time enrollment, and the size of the award is dependent upon the credit load. This program is administered by the campus financial aid office, although the financial aid officer has little discretion over the size of award.

The Minnesota State Scholarship, Grant-in-Aid and Nursing Grant Programs

are a cluster of jointly-administered state programs. In 1979-80 they provided awards ranging between \$100 and \$1,100, covering up to 50% of a student's estimated financial need, but not exceeding 75% of estimated need when combined with the student's expected BEOG award. The coordination of these programs with the BEOG Program insures that the state supplements rather than duplicates the federal role in meeting estimated need. These programs are administered by Coordinating Board staff, with actual disbursement of awards occurring at the campus level.

Other smaller special purpose grant programs are administered on the campus and are controlled by the financial aid officer. They are the federal Supplemental Educational Opportunity Grant Program (SEOG) which provides additional assistance to exceptionally needy students and the state's AVTI Tuition Subsidy Program, Part-Time Student Assistance program, and Veterans' Dependents Assistance Program which aid students not reached by the major state grant programs.

2. The Self-Help Obligation

All public grant programs operate under policies which insure that a portion of the cost of education is paid by the student or the student's family. The level of this self-help obligation varies by student, depending upon the financial resources of the family and the cost of education at the institution of the student's choice. The average ratio of grant assistance to self-help can be seen in aggregate spending figures.

Table 3 shows the total cost of education for the entire Minnesota Scholarship and Grant population for Fiscal Years 1979 and 1980 compared with the total Scholarship and Grant and BEOG spending on those students.

TABLE 3

REMAINING COST OF EDUCATION LEFT TO STUDENT AND
FAMILY AFTER RECEIPT OF MAJOR STATE AND FEDERAL GRANTS

	<u>Fiscal 79</u>		<u>Fiscal 80</u>	
	Dollars (millions)	% of Cost	Dollars (millions)	% of Cost
Cost of Education	\$98.1	100.0%	\$107.5	100.0%
BEOG	\$15.7	16.0%	\$25.2	23.4%
Scholarships/Grants	<u>22.2</u>	<u>22.6%</u>	<u>20.6</u>	<u>19.2%</u>
Combined total	<u>(37.9)</u>	<u>(38.6)%</u>	<u>(45.8)</u>	<u>(42.6)%</u>
Residual Cost (Self-Help Obligation)	<u>\$60.2</u>	<u>61.4%</u>	<u>\$61.7</u>	<u>57.4%</u>

For example, in Fiscal Year 1980 of \$107.5 million in educational costs \$45.8 million was met by major federal and state grants. This left \$61.7 million in expenses as the responsibility of the student and his or her family. Thus, the actual self help obligation for them was 57.4% of the estimated cost of education. From a state perspective it is clear that at least half the cost of education remained after the major public grant programs contributed financial aid.³ Students and their families finance this remaining cost of education or self-help obligation in several ways.

(a) Family Resources

It is implicit in the workings of the need analysis that students and their families will draw on their income as well as assets (e.g., savings, investments, equity in business or real estate) to finance at least part of this remaining amount.

³Federal SEOG award data were not included in this presentation because the data were not available. SEOG funds enable campus officials to go beyond the major state and federal grant programs in assisting the student.

(b) State and Federal Programs

It is understood that students and their families may have difficulty in meeting this self-help obligation from family resources. This problem is addressed at the state and federal levels by a number of additional programs which help the student to help himself. Two general types exist: the first consists of loan programs, which allow the student to borrow against future earnings in order to meet current expenses; the second consists of subsidized work-study programs, which allow the student to pay as he goes through earnings from part-time employment.

(1) Loan Programs. The federal National Direct Student Loan Program allows students to supplement their grant funds up to 100% of need with loans which cannot exceed \$2,500 total for the freshman and sophomore years and \$2,500 total for the junior and senior years. Loans are made at the discretion of the campus financial aid officer from a fixed institutional allocation. Repayment begins nine months after completion of studies with an annual interest rate of 3%. (4% after January 1, 1981 for new borrowers.)

Under the provisions of the federal Guaranteed Student Loan Program both private lenders and the State of Minnesota make loans up to \$2,500 annually to any student enrolled at least half-time in an eligible institution. There is no need requirement; however, the loan in conjunction with all other sources of financial aid cannot exceed 100% of the cost of education. Repayment begins nine months after completion of studies with an annual interest rate of 7%. (9% after January 1, 1981 for new borrowers.)

The Minnesota Higher Education Coordinating Board also administers two special population loan programs, the Medical and Osteopathic Loan Program and the Foreign Student Assistance Program which differ from the major loan programs in their repayment provisions. Under certain circumstances, all or

part of the loan amount is forgiven.

(2) Work-Study Programs. Both the federal and state government fund programs administered by the campus financial aid offices which aid students by making part-time work available. The federal College Work-Study Program subsidizes wages of students with unmet financial need. The Minnesota State Work-Study Program is somewhat less dependent on estimated need than the federal program in that it allows students to replace the expected parental contribution with earnings from subsidized part-time work in special situations.

3. Private Grant Assistance

In addition to the public programs mentioned above, many private grant programs exist. Generally, they are based on some estimation of need. In addition, these programs typically add further criteria such as academic merit, religious affiliation, personal characteristics, career goals or organizational membership/employment. Examples are grants from foundations, corporations, unions, churches and service clubs (e.g. Lions, Kiwanis, Knights of Columbus). Recipients of these awards are expected to report the amounts to the Coordinating Board and to the campus financial aid office. If the private award causes the total financial aid package to exceed 100% of estimated need, the financial aid officer and/or the Coordinating Board will reduce the amount of aid from sources under their control. Therefore, these awards replace funds which otherwise would come from public revenues.

4. Educational Institution Funds

The educational institutions themselves have institutional funds dedicated to financial aid. The sources for these funds are endowment income, annual

gifts from friends and alumni, as well as budgeted general income. These funds are typically used to round out a financial aid package or to fund students not eligible for public programs.

5. Other Sources of Financial Assistance

Other governmental programs such as Social Security, Veterans Benefits, or Vocational Rehabilitation provide significant benefits and are administered outside the regular financial aid channels, but their funds are considered as resources by the need analysis process. They, therefore, reduce the financial need estimate on which most other financial aid is based.

PART III

MINNESOTA FINANCIAL AID PROGRAMS

A. GRANT PROGRAMS

1. Scholarship, Grant-in-Aid and Nursing Grant Programs

Objective of the Scholarship Program: To identify talented students in the state and provide financial assistance for those students who demonstrate financial need and wish to continue their education at institutions of their choices.

Objective of the Grant-in-Aid Program: To provide financial assistance for students with need and to encourage their post-secondary educational development at the institutions of their choice.

Statutory Authority for the Scholarship and Grant-in-Aid Programs:
Minn. Stat. Sections 136A.09-136A.131 (1978, as amended 1979 supplement).

Objective of the Nursing Grant Program: To provide grants to financially needy undergraduate students enrolled in nursing and licensed practical nursing programs.

Statutory Authority for the Nursing Grant Program: Minn. Stat. Section 136A.133 (1978).

Background: The State Scholarship Program was authorized in 1967, and the Grant-in-Aid Program was authorized in 1969. The Nursing Grant Program was transferred to the Higher Education Coordinating Board from the State Board of Nursing during Fiscal Year 1978. These programs are the foundation of Minnesota's comprehensive financial aid effort and represent the highest priority of the Board's biennial budget request.

Changes in program characteristics together with increased funding have made the programs increasingly comprehensive. In 1970 less than \$1 million was available for the programs, and fewer than 1,000 students were served. In Fiscal Year 1980, \$23,700,000 was available, and 32,532 students were offered awards. Of the amount available in 1980, 42 percent was designated for use in the Scholarship Program and 58 percent for the Grant-in-Aid and Nursing Grant Programs.

The most recent program changes were made by the 1979 Minnesota Legislature which expanded eligibility for initial grant-in-aid awards to third and fourth year applicants starting in Fiscal Year 1981 and raised the maximum scholarship and grant awards.

Minnesota's programs rank high nationally. In the 11th annual survey of the National Association of State Scholarship and Grant Programs, Minnesota's rankings for academic year 1979-80 were as follows:

1. Fifth on the basis of per capita expenditures behind New York, Illinois, Pennsylvania and Vermont.
2. Eighth in dollar value of awards.
3. Ninth in number of awards.

Students may apply to all three Minnesota programs with the same application form. Awards from one program exclude awards from either of the other two programs for that academic year. For this report no distinction is made among

these programs because of their uniform standards and administration. For program administration the distinction between scholarships and grants is maintained, however, in order to provide priority funding to needy students with demonstrated scholastic abilities. Awards are made in the following order:

1. Renewal Scholarships
2. Renewal Grants and Nursing Grants
3. New Scholarships
4. New Grants and Nursing Grants

The award may not exceed one-half of the student's estimated need up to a maximum of \$1,250 for Fiscal Year 1981 and \$1,400 for Fiscal Year 1982.

Moreover, the award in combination with the Federal Basic Educational Opportunity Grant (BEOG) may not exceed 75 percent of the student's estimated financial need.

The policy relating the state awards to the federal BEOGs was recommended by the Coordinating Board in 1976 and adopted by the 1977 Legislature. It was intended to encourage all eligible students to take advantage of the grant funds to which they are entitled under the Basic Educational Opportunity Grant Program and to provide for a more equitable distribution of awards among the total student population with need. The Board position is that meeting the total need of some students through grants while meeting none of the need of other students is undesirable state policy.

The current state policy assumes that students and parents should meet at least 25% of the total cost of education through one of several means such as loans, institutional aid programs or jobs. The policy change also was intended to close the gap between available funds and the needs of eligible applicants. Making use of federal funds to which Minnesota students are entitled has meant a reduction in state expenditures in some years. These savings have permitted funds to be awarded to all applicants with financial need who apply by the

deadlines. Prior to the 1977 policy change, some applicants with low need did not receive awards because funds were exhausted before they could be served.

Any undergraduate student who has not received a baccalaureate degree may apply for and receive up to a total of eight semesters or twelve quarters of awards. To assure that all potential applicants receive information about these programs and have an equitable opportunity to apply regardless of residence, school of attendance, or family status, the Board (1) mails applications and information to all high school seniors who participated in the Post High School Planning Program as juniors; (2) conducts workshops for high school counselors in the fall of each year; (3) prepares an annual publication, Focus on Financial Aid, which provides description of all state and federal financial aid programs (these are mailed to all high schools and post-secondary institutions), and (4) provides information about the programs through the media.

All monetary award recipients are selected solely on the basis of estimated financial need. Scholarship recipients must also demonstrate academic achievement by their high school rank. Applicants who show academic achievement but do not demonstrate need receive an honorary scholarship. Nursing Grant recipients must be enrolled in programs leading to licensure as registered nurses or licensed practical nurses. Each recipient must be enrolled full-time in an eligible institution, remain in good-standing, and continue to have financial need. The amount of the award may vary from year to year to reflect changes in the student's estimated financial need.

Students may attend more than 160 eligible public and private institutions in Minnesota. These include the state universities, University of Minnesota, community colleges, public area vocational-technical institutes, schools of

nursing and related health professions, private colleges and proprietary institutions.

Status: Table 4 displays the budgeted and expended amounts for Fiscal Years 1979 and 1980 and projected amounts for Fiscal Year 1981. Despite earlier estimates that the rate of increase in applications would level off during the 1980-81 biennium, the volume has increased at a constant rate. It now appears that increasing numbers of families perceive themselves to be in need of assistance due to rising college costs and other inflationary effects. An additional factor is the inclusion of initial applications from juniors and seniors which will make the programs accessible to a new pool of students in Fiscal Year 1981.

The typical recipient of a State Scholarship and Grant award in Fiscal Year 1980 was female, age 19, single, a freshman living off campus, dependent, from a family with an income level of \$16,000 and a recipient of a BEOG award of approximately \$950.

TABLE 4

STATISTICAL OVERVIEW OF STATE
SCHOLARSHIP AND GRANT PROGRAMS,
FISCAL YEARS 1979 AND 1980 AND
1981 PROJECTIONS

	<u>Fiscal</u>		Projected
	1979	1980	1981
Appropriations (in millions)			
Carryover	Cancelled	-0-	5.3
Federal SSIG	1.5	1.5	1.5
State	25.8	22.2	26.8
Total	27.3	23.7	33.6
Awards	22.2	20.6	31.8
Refunds	(2.7)	(2.2)	(3.2)
Net Awards	19.5	18.4	28.6
Turnback/carryover	7.8	5.3	5.0
No. of Applications:			
Student Pool	161,615	163,516	165,967
Submitted	51,248	57,503	66,387
% to Pool	31.7%	35.2%	40.0%
Denied:			
No Need	(6,163)	(10,317)	
Honorary No Need	(3,739)	(5,744)	
Not considered	(8,597)	(8,910)	
Lack of Funds	(-0-)	(-0-)	
Subtotal	18,499	24,971	23,368
Awards offered	32,749	32,532	43,019
% to Pool	20.3%	19.9%	25.9%
% of Applicants	63.9%	56.6%	64.8%
Awards Not Accepted	4,553	4,499	
Awards Accepted	28,196	28,033	
% to pool	17.4	17.1%	
% of applicants	55.0%	48.8%	
% of offered	86.1%	86.2%	
Average Award Size	678	633	740

Table 5 displays the state awards for Fiscal Years 1979 and 1980 as well as the combined state awards and federal BEOG awards for the same years by educational system. The significant points revealed by this table are:

1. The ratio of dependent to self-supporting students remained constant at 93% and 7% respectively over the two-year period.
2. All systems with the exception of the four-year private institutions experienced declines in average state awards per student over the two years.
3. All systems experienced increased average combined awards (state Scholarship and Grants and Federal BEOG). As mentioned earlier, total combined awards may not exceed 75% of need. Therefore, as federal BEOG awards increase and meet ever larger percentages of need, the state Scholarship and Grant awards are reduced or eliminated. An estimated \$53.4 million in BEOG funds was disbursed to students attending Minnesota institutions in 1980, up 60% from \$32.9 million in 1979. Of that total approximately half, or \$25.2 million, was disbursed to students who also received a Minnesota State Scholarship or Grant. This significant increase in federal funds was due to the passage of the Middle Income Assistance Act in fall of 1978 which raised the eligibility cutoff from a family income of \$15,000 to a family income of \$25,000. Fiscal Year 1980 was the first year in which the impact of the act was felt by the Minnesota Scholarship and Grant Programs. Maximum BEOG awards also increased to \$1,800 in 1980 from \$1,600 in 1979.

TABLE 5

STATE SCHOLARSHIP AND GRANT AWARDS AND COMBINED STATE AND BEOG AWARDS,
FISCAL YEARS 1979 AND 1980, BY EDUCATIONAL SYSTEM

System Distribution	State Award						Combined State & BEOG					
	Fiscal 79			Fiscal 80			Fiscal 79			Fiscal 80		
	Students	\$ Amount	Avg \$	Students	\$ Amount	Avg \$	Students	\$ Amount	Avg \$	Students	\$ Amount	Avg \$
All Students												
U of M	6,510	4,394,655	675	6,982	3,865,366	553	6,510	7,626,195	1,171	6,982	9,657,856	1,383
State U.	6,966	3,782,160	542	6,541	2,596,352	396	6,966	7,435,446	1,067	6,541	8,183,610	1,251
Cnty College	3,119	1,446,152	463	2,205	773,899	350	3,119	2,928,310	938	2,205	2,544,509	1,153
AVTI	5,041	2,184,540	433	4,222	1,484,370	351	5,041	5,134,144	1,018	4,222	4,889,387	1,158
Priv 4-Year	9,316	8,980,295	963	10,666	10,444,596	979	9,316	12,448,085	1,336	10,666	17,514,359	1,647
Priv 2-Year	1,797	1,431,482	796	1,916	1,431,979	747	1,797	2,381,130	1,325	1,916	3,046,687	1,590
TOTAL	32,749	22,219,284	678	32,532	20,596,562	633	32,749	37,953,310	1,158	32,532	45,836,408	1,408
Dependent Students												
U of M	5,870	4,041,487	688	6,332	3,569,286	563	5,870	6,863,553	1,169	6,332	8,743,423	1,380
State U	6,506	3,570,868	548	6,080	2,413,552	396	6,506	6,926,420	1,064	6,080	7,581,808	1,247
Cnty College	2,853	1,324,267	464	2,009	691,726	344	2,853	2,672,453	936	2,009	2,328,788	1,159
AVTI	4,744	2,052,161	432	3,926	1,363,993	347	4,744	4,849,047	1,022	3,926	4,575,728	1,165
Priv 4-Year	8,886	8,595,219	967	10,092	9,962,806	987	8,886	11,735,563	1,320	10,092	16,321,176	1,617
Priv 2-Year	1,575	1,284,693	815	1,712	1,313,538	767	1,575	2,081,771	1,321	1,712	2,731,672	1,595
TOTAL	30,434	20,868,695	685	30,151	19,314,901	640	30,434	35,128,807	1,154	30,151	42,282,595	1,402
Self Supporting Students												
U of M	640	353,167	551	650	296,080	455	640	762,641	1,191	650	914,436	1,406
State U	460	211,291	459	461	182,800	396	460	509,025	1,106	461	601,802	1,305
Cnty College	266	121,885	458	196	82,173	419	266	255,857	961	196	215,721	1,100
AVTI	297	132,379	445	296	120,380	406	297	285,097	959	296	313,656	1,059
Priv 4-Year	430	385,079	895	574	481,787	839	430	712,525	1,657	574	1,193,183	2,078
Priv 2-Year	222	146,788	661	204	118,440	580	222	299,358	1,348	204	315,014	1,544
TOTAL	2,315	1,350,589	583	2,381	1,281,660	538	2,315	2,824,503	1,220	2,381	3,553,812	1,492

Table 6 displays state awards for Fiscal Years 1979 and 1980 as well as combined State Scholarship and Grant and Federal BEOG awards by income levels for the same period.

Significant points are:

1. 95% of self-supporting students have incomes of less than \$5,000 per academic year.
2. The impact of significant increases in the BEOG awards between years is apparent in lower average state awards but higher average combined awards over the two year period.
3. Total state and federal dollars are distributed fairly evenly among all income levels from \$0 to \$25,000, the largest single category being the \$15,000 - \$20,000 income group.
4. Approximately two-thirds of Minnesota funds are awarded to students from families with incomes at or below the estimated 1980 median family income of \$20,300.¹

Figure 1 displays the state awards by income levels for Fiscal Year 1980.

Figure 2 displays the interaction of average state and federal BEOG awards by income level.

Significant points are:

1. Total state and federal awards decrease as incomes rise.
2. The federal program meets a larger percentage of need at the lower income levels, while the State Scholarship and Grant Programs provide this service at the higher income levels.
3. Average state awards tend to increase as income levels increase. Conversely, federal awards decrease as income levels increase.
4. Awards to self-supporting students drop off significantly above the \$0 - \$5,000 income category.

The appropriations made by the 1979 Legislature for the first half of the 1980-81 biennium were intended to fully fund these programs within the federal guidelines for determining the cost of education.

The process of estimating the student's financial need was described in

¹ Source: State Planning Agency and Department of Commerce.

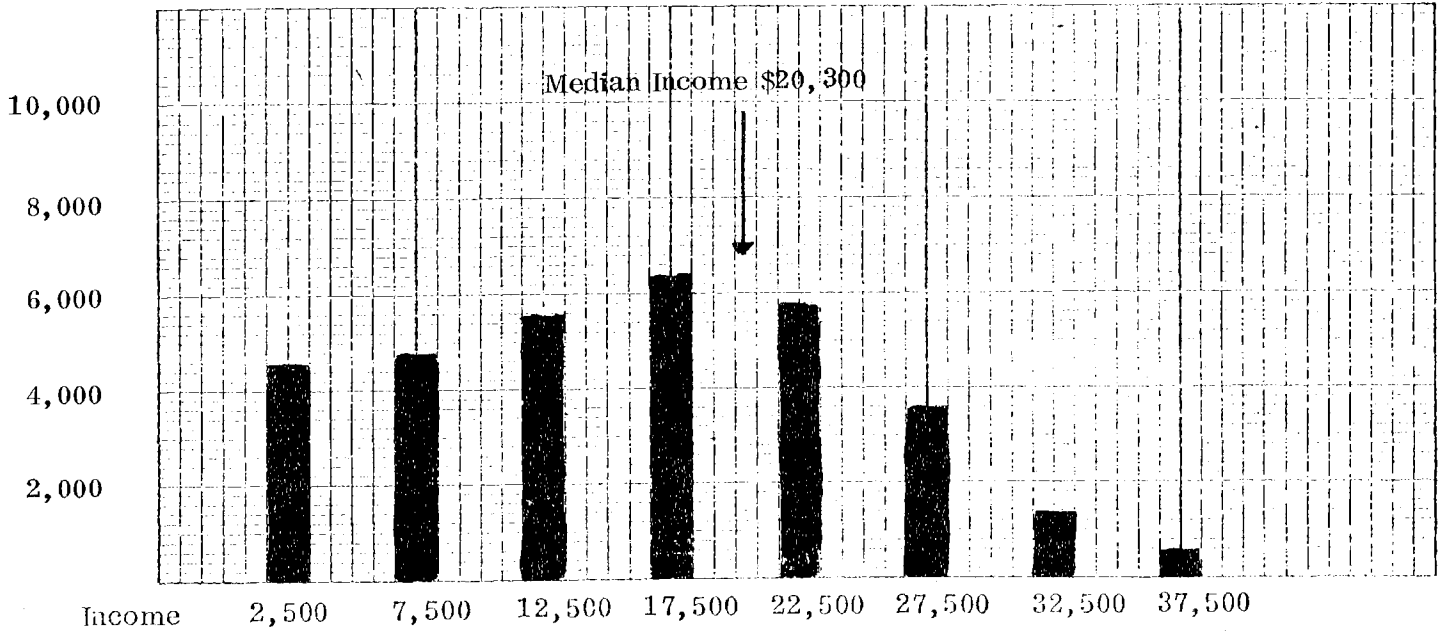
TABLE 6

STATE SCHOLARSHIP AND GRANT AWARDS AND COMBINED STATE AND FEDERAL BEOG AWARDS,
BY INCOME LEVELS, FISCAL YEARS 1979 AND 1980

Income Distribution	State Awards						Combined State and Federal BEOG Awards					
	Fiscal 79			Fiscal 80			Fiscal 79			Fiscal 80		
	Students	\$ Amount	Avg \$	Students	\$ Amount	Avg \$	Students	\$ Amount	Avg \$	Students	\$ Amount	Avg \$
All Students												
\$00,000 - 04,999	4,925	2,835,825	575	4,528	2,522,462	557	4,925	7,242,229	1,470	4,528	7,371,648	1,628
\$05,000 - 09,999	5,269	3,297,505	625	4,753	2,876,670	605	5,269	8,206,549	1,557	4,753	7,870,294	1,656
\$10,000 - 14,999	6,527	4,568,033	699	5,700	3,522,645	618	6,527	8,622,767	1,321	5,700	8,775,852	1,540
\$15,000 - 19,999	7,240	5,282,094	729	6,302	3,917,301	621	7,240	7,103,164	981	6,302	8,795,095	1,396
\$20,000 - 24,999	5,475	3,952,455	721	5,779	3,785,623	655	5,475	4,400,077	803	5,779	7,171,172	1,241
\$25,000 - 29,999	2,411	1,676,288	695	3,473	2,447,546	704	2,411	1,752,646	726	3,473	3,863,102	1,112
\$30,000 - 34,999	621	420,387	676	1,301	985,970	757	621	426,625	686	1,301	1,328,992	1,022
\$35,000 and up	281	186,697	664	696	538,345	773	281	199,253	709	696	660,253	949
TOTAL	32,749	22,219,284	678	32,532	20,596,562	633	32,749	37,953,310	1,158	32,532	45,836,408	1,409
Dependent Students												
\$00,000 - 04,999	2,720	1,533,975	563	2,245	1,279,766	570	2,720	4,499,977	1,654	2,245	3,884,457	1,730
\$05,000 - 09,999	5,190	3,262,852	628	4,678	2,846,885	608	5,190	8,144,332	1,569	4,678	7,814,731	1,671
\$10,000 - 14,999	6,504	4,556,912	700	5,680	3,514,965	618	6,504	8,606,808	1,323	5,680	8,766,970	1,543
\$15,000 - 19,999	7,235	5,280,679	729	6,300	3,916,826	621	7,235	7,100,815	981	6,300	8,794,620	1,396
\$20,000 - 24,999	5,475	3,952,455	721	5,778	3,784,595	655	5,475	4,400,077	803	5,778	7,169,472	1,241
\$25,000 - 29,999	2,410	1,676,163	695	3,473	2,447,546	704	2,410	1,752,521	727	3,473	3,863,100	1,112
\$30,000 - 34,999	620	419,562	676	1,301	985,973	757	620	425,624	686	1,301	1,328,992	1,022
\$35,000 and up	280	186,097	664	696	538,345	773	280	198,653	709	696	660,253	949
TOTAL	30,434	20,868,695	685	30,151	19,314,901	640	30,434	35,128,807	1,154	30,151	42,282,595	1,402
Self Supporting Students												
\$00,000 - 04,999	2,205	1,301,849	590	2,283	1,242,695	544	2,205	2,742,251	1,243	2,283	3,487,192	1,527
\$05,000 - 09,999	79	34,655	438	75	29,785	397	79	62,217	787	75	55,563	741
\$10,000 - 14,999	23	11,120	483	20	7,680	384	23	15,956	693	20	8,882	444
\$15,000 - 19,999	5	1,415	283	2	475	237	5	2,353	470	2	475	238
\$20,000 - 24,999	-	-	-	1	1,025	1,025	-	-	-	1	1,701	1,701
\$25,000 - 29,999	1	125	125	-	-	-	1	125	125	0	-0-	-0-
\$30,000 - 34,999	1	825	825	-	-	-	1	1,001	1,001	0	-0-	-0-
\$35,000 and up	1	600	600	-	-	-	1	600	600	0	-0-	-0-
TOTAL	2,315	1,350,589	583	2,381	1,281,660	538	2,315	2,824,503	1,220	2,381	3,553,813	1,493

FIGURE 1
 DISTRIBUTION OF STATE SCHOLARSHIP AND GRANT
 RECIPIENTS AND AWARD DOLLARS BY MEDIAN INCOME,
 FISCAL YEAR 1980

Number of Students - 32,532



Millions \$ Amount of Awards - \$20,596,562

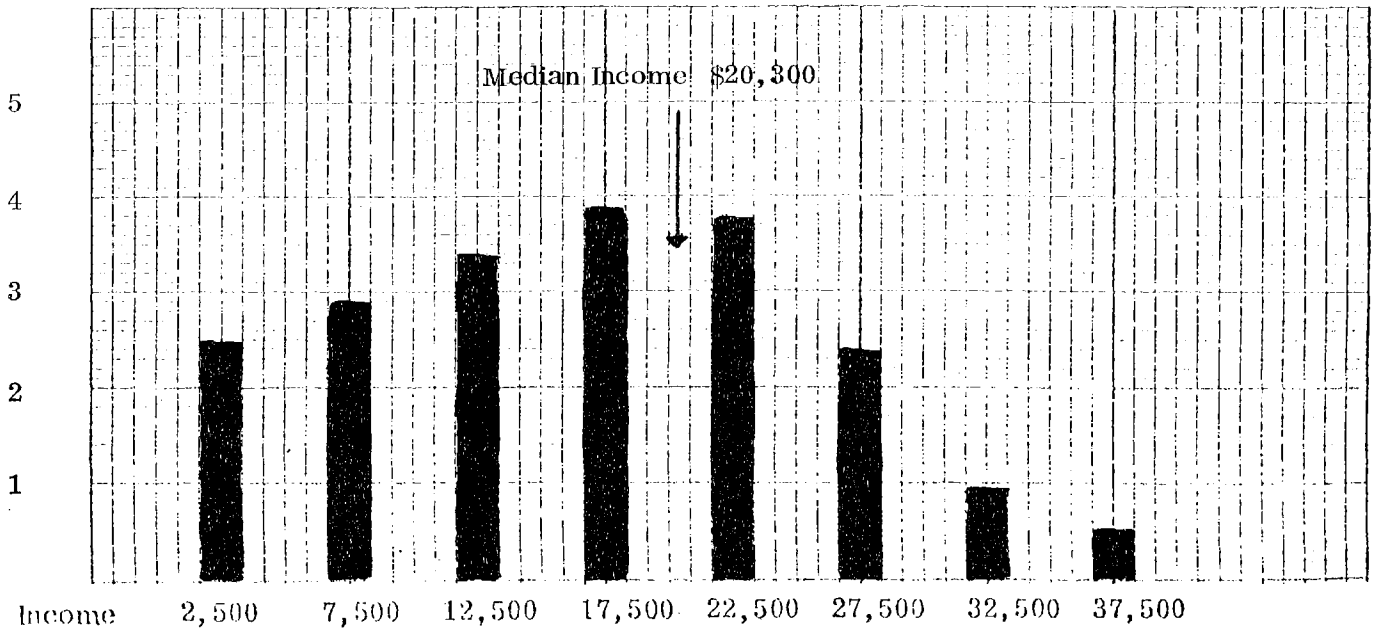
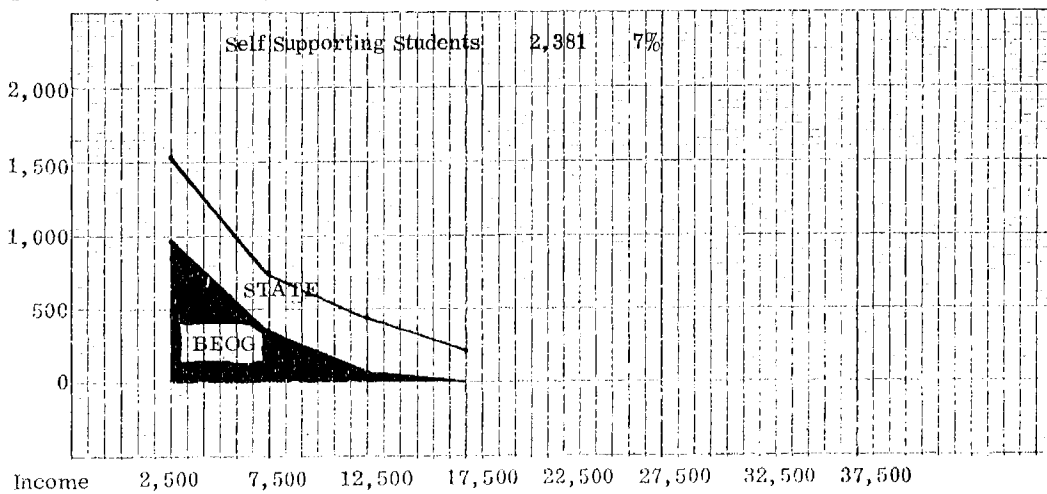
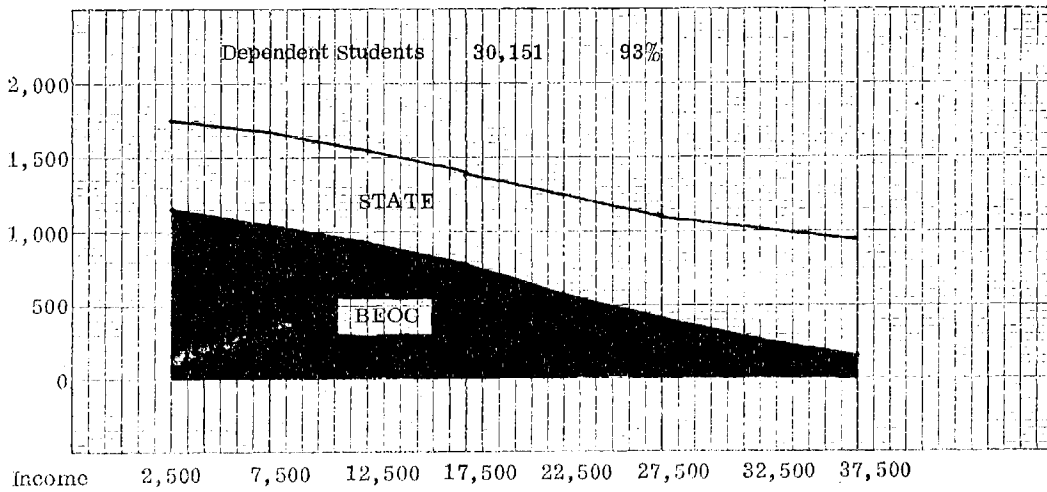
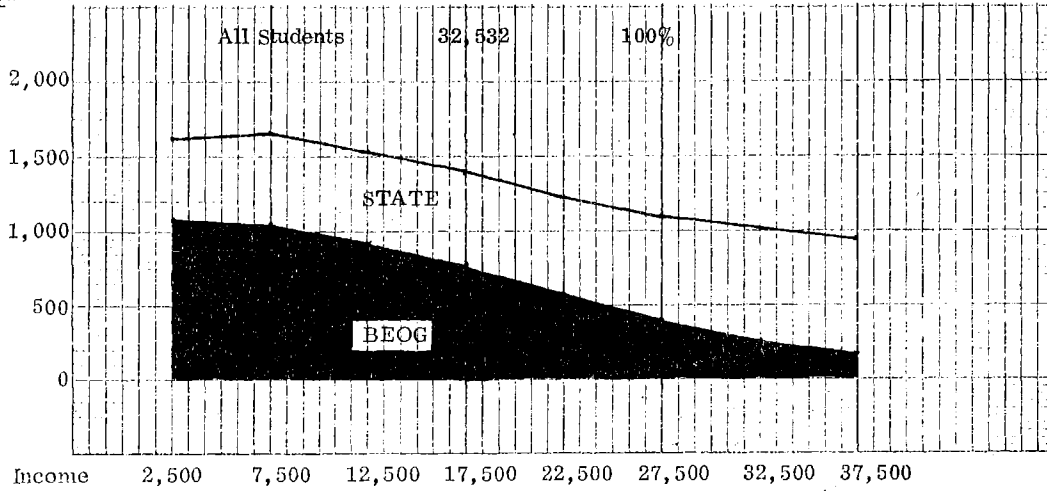


FIGURE 2

INTERACTION OF AVERAGE STATE
SCHOLARSHIP AND GRANT AWARDS AND FEDERAL
BEOG AWARDS BY INCOME LEVEL,
FISCAL YEAR 1980

Average
Award



Part II of this report. Prior to the Fiscal Year 1981 award cycle, the Coordinating Board approved revisions in components of the formula used to estimate financial need for the program. Changes were made because inflation and changes in the BEOG Program had eroded the reasonableness of the formula established in 1975. The revisions attempted to accomplish the objectives of greater realism, equity and simplicity and to do so in a way that can adjust to limitations in funding.

Under the formula, financial need is estimated by subtracting the amount that students and parents are expected to contribute toward the student's education from the total cost of education. The cost of education includes tuition and mandatory fees, a living allowance and miscellaneous expenses. A comparison of the formula's components for the 1979-80 and 1980-81 school year appears in the table below:

TABLE 7
COMPONENTS OF NEED FORMULA FOR OFF-CAMPUS AND ON-CAMPUS
STUDENTS UNDER OLD AND REVISED METHODS,
MINNESOTA SCHOLARSHIP AND GRANT PROGRAMS,
1979-80 AND 1980-81

<u>Component</u>	1979-80		1980-81	
	<u>Off-Campus</u>	<u>On-Campus</u>	<u>Off-Campus</u>	<u>On-Campus</u>
Cost of Education:				
Tuition and Fees	Actual	Actual	Actual	Actual
Living Allowance	\$1,100	Actual	\$1,750	\$1,750
Misc. Allowance	\$ 400	\$ 400	\$1,000	\$1,000
% Recognized	100%	100%	85%	85%
Parental Contribution	ACT calc.	ACT calc.	ACT calc.	ACT calc.
Student Contribution:				
From Academic Year Earnings	ACT calc. ^a	ACT calc. ^a	ACT calc. ^a	ACT calc. ^a
From Summer Earnings	\$0 ^b	\$0 ^b	\$700	\$700
From Savings/Assets	ACT calc.	ACT calc.	ACT calc.	ACT calc.

Note: ACT calc. represents the results of Uniform Methodology calculations performed by the American College Testing program.

^afor independent students only; exempted for dependent students.

^bfor dependent students only; summer earnings have been combined with academic year earnings and subjected to the ACT needs analysis for independent students.

The adjustments recognized increases in off-campus living costs, and thus increased the number of students eligible for awards. A summer savings expectation from the student was established, and program administration at both the state and institutional level was simplified.

The Coordinating Board attempted to determine realistic costs of education for Fiscal Year 1981 for all students. Staff estimates indicated that these adjustments would overspend the available funds. It was decided that a uniform percentage reduction in the realistic cost of education should be imposed to ensure the broadest distribution of funds among needy Minnesota students.

In the past, 100% of the calculated cost of education was used in the need formula. For the 1980-81 school year, however, the percentage adopted by the Board was 85 percent. The reduction was necessary to stay within the appropriation from the 1979 Legislature.

In both years, all applicants who demonstrated need under the formula in force received awards.

2. AVTI Tuition Subsidy Program

Objective: To provide grant assistance to eligible students who are enrolled in area vocational-technical institutes and who have not been awarded state scholarships or grants-in-aid.

Statutory Authority: Minn. Stat. Section 136A.236 (1978)

Background: The program was authorized by the 1977 Legislature in conjunction with the decision to institute a tuition charge of \$2 per day for AVTI students under 21, effective July 1, 1978.

This program provides emergency supplemental aid in the form of tuition subsidies to financially needy students enrolled in AVTI programs. Students who apply too late to be considered for the State Scholarship and Grant Programs are eligible to receive an award based on need, not to exceed 75 percent of the cost of tuition. Tuition subsidies are awarded for the length of the academic program, up to one year, and are not automatically renewable; however, the recipients may apply for additional

awards for subsequent periods or years.

The typical recipient of a tuition subsidy award is 21.5 years old, dependent, and comes from a family of 3-4 members with an adjusted gross income of \$11,300. This student has received a BEOG award averaging \$771 and is enrolled in a program averaging 6.6 months in length.

The 1977 Legislature appropriated \$3.6 million for Fiscal Year 1979, the first year of the program. The 1979 Legislature reduced this appropriation level to \$1,792,500 for each year of the 1980-81 biennium and eliminated the requirement limiting eligibility to students under 21.

Status: In Fiscal Year 1980, as shown in Table 8, approximately 26,600 students were enrolled in Minnesota's 33 AVTIs. Of that number 7,342, or 28%, participated in this program. This represented an increase of 94% over the 3,727 participants in Fiscal Year 1979. The average award increased from \$217 in Fiscal Year 1979 to \$227 in Fiscal Year 1980. Total spending increased from \$810,714 in 1979 to \$1,667,911 in 1980. The primary reasons for these increases were:

1. The program was opened to students over 21 years of age.
2. A general maturation of the program was characterized by greater awareness of its existence on the AVTI campuses.
3. Lack of comparability in the cost of education estimates used in the Scholarship and Grant Programs and the AVTI Tuition Subsidy Program resulted in many students being eligible for AVTI awards but not for scholarship and grant awards. Likewise, some students were authorized for larger awards from the AVTI program than from the Scholarship and Grant Programs and chose to reject the latter.

In Fiscal Year 1980, the rules governing this program were changed to (a) eliminate the use of campus based budgets in this program and substitute the standard budget used in the Scholarship and Grant Programs; (b) eliminate the practice of students choosing between this program and the Scholarship and Grant Programs; and (c) clarify the intent of the program. These changes will become effective in Fiscal Year 1981.

TABLE 8
 STATISTICAL OVERVIEW FOR AVTI TUITION SUBSIDY PROGRAM,
 FISCAL YEARS 1979 AND 1980

	<u>Fiscal 79</u>	<u>Fiscal 80</u>
Student Pool	26,525	26,632
Number of Student Awards	3,727	7,342
% of Pool	14%	28%
\$ Amount of Awards	\$810,714	\$1,667,911
Average Award	\$217	\$227
Number of Participating Schools	33	33

Table 9 displays the awards by institution.

Table 10 displays the awards by income category. Approximately 76% of Tuition Subsidy funds were disbursed to students from families below the median income of \$20,300 in Fiscal Year 1980.

TABLE 9

AVTI TUITION SUBSIDY AWARDS BY INSTITUTION,
FISCAL YEARS 1979 AND 1980

INSTITUTIONAL DISTRIBUTION	FISCAL 79			FISCAL 80		
	Students	\$ AMOUNT	AVG \$	STUDENTS	\$ AMOUNT	AVG \$
- Faribault	69	15,736	228	153	37,074	242
- Albert Lea	108	25,362	235	182	46,161	253
- Anoka Hennepin	190	35,732	188	487	97,191	199
- Austin	115	25,486	222	208	49,147	236
- Bemidji	80	17,480	218	185	42,874	231
- Granite Falls	65	15,194	234	83	19,336	232
- Hibbing	64	14,936	233	79	17,985	227
- Thief River Falls	50	9,682	193	83	18,684	225
- St. Cloud	226	48,814	216	285	62,859	220
- Winona	50	11,365	227	87	24,279	279
- Willmar	194	40,939	211	364	86,295	237
- Mankato	124	28,621	231	327	69,576	212
- Minneapolis	163	28,795	177	405	84,068	207
- Pine City	42	8,486	202	76	13,494	177
- Pipestone	84	22,548	268	119	35,684	299
- Rochester	33	6,675	202	122	24,970	204
- Brainerd	94	20,723	220	131	34,437	262
- Jackson	150	32,859	219	175	39,883	227
- Alexandria	209	50,755	243	291	78,042	268
- Canby	33	8,591	260	48	10,342	215
- St. Paul	237	45,592	192	612	137,128	224
- Suburb Hennepin	337	72,860	216	776	166,375	214
- Wadena	111	23,465	211	186	44,243	237
- Dakota	154	37,951	246	159	42,579	267
- 916	136	28,502	209	400	85,683	214
- Eveleth	29	6,657	230	89	20,919	235
- Staples	98	21,917	221	131	30,832	235
- Moorhead	80	18,765	234	135	31,753	235
- Detroit Lakes	129	28,417	220	172	36,987	215
- Hutchinson	50	10,750	215	136	31,750	233
- Red Wing	42	8,288	197	106	27,102	255
- East Grand Forks	32	8,262	258	66	14,880	225
- Duluth	149	30,509	205	484	105,286	217
TOTALS	<u>3,727</u>	<u>\$810,714</u>	<u>\$217</u>	<u>7,342</u>	<u>\$1,667,911</u>	<u>\$227</u>

TABLE 10

AVTI TUITION SUBSIDY AWARDS BY INCOME LEVEL,
FISCAL YEARS 1979 AND 1980

	Fiscal 79			Fiscal 80		
	Students	\$ Amount	Avg \$	Students	\$ Amount	Avg \$
\$ 0 - \$ 5,000	1,124	229,592	204	2,219	471,268	212
5 - 10,000	768	168,614	219	1,303	294,975	226
10 - 15,000	669	151,557	226	972	225,498	231
15 - 20,000	650	148,020	227	1,140	275,991	242
20 - 25,000	335	75,070	224	959	231,273	241
25 - 30,000	90	19,330	215	321	77,624	241
30 - 35,000	17	3,969	233	78	19,013	243
Over 35,000	5	1,037	207	32	7,345	229
DATA MISSING	69	13,525	196	318	64,923	204
TOTALS	3,727	\$810,714	\$217	7,342	\$1,667,911	\$227

The Coordinating Board has recommended that funding for this program be reduced significantly in the 1982-83 biennium and that the program be terminated at the end of that period for the following reasons:

1. The AVTI Tuition Subsidy Program and the Minnesota State Scholarship and Grant Programs will both base awards on a standard cost of education estimate which is higher than the 1980 estimate. This will result in a larger number of awards, as well as higher average award amounts, in the Scholarship and Grant Programs, which should lead to lower utilization of the AVTI Program during the next biennium.
2. Current recipients of awards in this program are eligible for all other forms of federal and state student financial aid available to students in all other systems.
3. The HECB is giving serious consideration to modifying the deadline in the Minnesota Scholarship and Grant Programs which will make access to those programs easier for all students who enroll after the July 15 cut-off date.

3. Part-Time Student Grant Program

Objective: To provide grant assistance to students enrolled less than full time and ineligible to receive other state or federal grant assistance.

Statutory Authority: Minn. Stat. Section 136A.132 (1978)

Background: The Part-Time Student Grant Program was enacted in 1977 to assist the growing number of part-time students in Minnesota. The program provides financial aid in the form of a grant-in-aid to financially needy students attending eligible institutions less than full-time and pursuing programs or courses of study leading to degrees, diplomas or certificates. Students receiving other state or federal grants or tuition and fee payments from other sources are not eligible. The amount of an award, based on the applicant's need, cannot exceed the cost of resident tuition and required fees up to a maximum equivalent to tuition and fees for a comparable program at the University of Minnesota.

Grants are awarded for a single term and are not renewable, but the recipient of an award may apply for additional awards for subsequent terms. Funds for the program are allocated by the Coordinating Board to post-secondary institutions wishing to participate in the program. All schools eligible for the State Grant-in-Aid Program may participate. Allocations are based on a formula using the number of part-time students enrolled at each participating school.

The typical participant in this program is single, female, 29 years old, employed either full or part-time and resides in the Twin Cities area; she is self-supporting and has a gross annual income of \$6,500, is a freshman at the University of Minnesota, and is taking six credit hours per year.

Status: In Fiscal Year 1980, approximately 62,600 students were enrolled on a part-time basis in Minnesota post-secondary institutions, as indicated in Table 11. Of that number 1,448, or 2.3 percent, participated in this program, up from 2 percent in the prior year. Forty-six institutions participated in Fiscal Year 1980 of the approximately 160 eligible schools. The average award in Fiscal Year 1980 was \$167 compared with \$170 in Fiscal Year 1979.

Table 12 presents awards by institutions within systems, and Table 13 presents awards by income levels.

TABLE 11

STATISTICAL OVERVIEW FOR PART-TIME STUDENT GRANT PROGRAM,
FISCAL YEARS 1979 AND 1980

	<u>Fiscal 79</u>	<u>Fiscal 80</u>
Student Pool	59,351	62,645
Number of Students Receiving Awards	1,163	1,448
% to Pool	2.0%	2.3%
\$ Amount of Awards	\$197,400	\$241,200
Average No. of Quarters Funded		
Per Student	1.5	1.4
Average Award Per Student Per Year	\$170	\$167
No. of Participating Schools	48	46

TABLE 12

PART-TIME STUDENT GRANT AWARDS BY SYSTEM AND PRINCIPAL
INSTITUTIONAL USERS WITHIN SYSTEMS, FISCAL YEARS 1979 AND 1980

<u>System Distribution</u>	<u>Fiscal 79</u>		<u>Fiscal 80</u>	
	<u>Students</u>	<u>\$ Amount</u>	<u>Students</u>	<u>\$ Amount</u>
U of Minnesota				
Twin Cities	540	\$107,900	698	\$148,500
Morris	33	8,900	24	4,900
Duluth	26	6,100	10	2,800
State Universities				
Mankato State	54	9,900	64	9,800
Metro State	11	1,800	39	5,400
Community Colleges				
Anoka Ramsey	82	8,200	150	13,600
Inver Hills	132	10,600	131	7,400
No. Hennepin	12	1,500	28	3,700
Itasca	34	3,500	25	2,600
Private-4 Year				
St. Thomas	20	7,500	22	9,400
St. Catherine	5	1,200	9	3,400
St. Mary's	19	5,700	6	1,700
All Others	195	24,600	242	28,000
TOTALS	<u>1,163</u>	<u>\$197,400</u>	<u>1,448</u>	<u>\$241,200</u>

TABLE 13

PART-TIME STUDENT GRANT AWARDS BY INCOME LEVEL,
FISCAL YEARS 1979 AND 1980

<u>Income Distribution</u>	<u>Fiscal 79</u>			<u>Fiscal 80</u>		
	<u>Students</u>	<u>\$ Amount</u>	<u>Avg \$</u>	<u>Students</u>	<u>\$ Amount</u>	<u>Avg \$</u>
\$ 0 - \$ 5,000	559	\$ 96,424	172	625	\$102,812	164
5 - 10,000	413	66,930	162	533	91,747	172
10 - 15,000	182	31,996	176	282	45,330	161
15 - 20,000	3	692	231	7	1,260	180
20 - 25,000	4	858	215	-	-	-
25 - 30,000	2	500	250	1	51	51
30 - 35,000	-	-	-	-	-	-
Over 35,000	-	-	-	-	-	-
TOTALS	<u>1,163</u>	<u>\$197,400</u>	<u>\$ 170</u>	<u>1,448</u>	<u>\$241,200</u>	<u>\$ 167</u>

4. Veterans' Dependents Student Assistance Program

Objective: To pay the tuition and fees for Minnesota post-secondary students who are dependents of veterans declared prisoners of war or missing in action after August 1, 1958.

Statutory Authority: Minn. Stat. Section 197.09 (1978)

Background: The Veterans' Dependents Student Assistance Program pays tuition and fees for students enrolled in any post-secondary educational institution in Minnesota if they are dependents of Minnesota veterans who, while serving in the United States Armed Forces, were declared prisoners of war or missing in action after August 1, 1958. The annual stipend cannot exceed the maximum amount of tuition and fees charged at the University of Minnesota, Twin Cities campus. In Fiscal Year 1981, this amount is \$1,200.

Status: One student has received assistance for a total expenditure of under \$2,000.

B. LOAN PROGRAMS

1. Minnesota State Student Loan Program

Objective: To improve access and choice of post-secondary education for Minnesota students by providing loans to assist them in paying for the costs of education.

Statutory Authority: Minn. Stat. Section 136A.14-142, 136A.15-136.179 (1978, as amended 1979 and 1980)

Background: The 1973 Minnesota Legislature authorized the Higher Education Coordinating Board to establish and administer a State Student Loan Program as a direct lending institution under the Federally Guaranteed Student Loan Program. The state program is intended to provide access to guaranteed loans to all Minnesota residents and students attending eligible institutions who are unable to obtain loans from other sources (i.e. banks, savings and loans, institutions). Outstanding characteristics of the program are as follows:

(1.) Eligible Students:

- a. Minnesota residents who are enrolled at least half time in post-secondary institutions located in Minnesota and other states;
- b. Residents of other states who are enrolled at least half time in post-secondary institutions located in Minnesota;
- c. All students who are in good academic standing and remain in continuous attendance during the loan period.

(2.) Eligible Schools:

- a. All schools approved by the federal Department of Education;
- b. Schools located outside of the continental United States are not eligible.

(3.) Income:

- a. All students may apply regardless of personal or family income.

(4.) Size of award:

- a. Undergraduate and vocational students are eligible for loans up to \$2,500 per academic year and \$7,500 cumulative maximum.
- b. Graduate and professional students are eligible for loans up to \$5,000 per academic year.

(5.) Terms:

- a. Repayment of principal amounts is deferred until the student completes his or her education. A grace period of nine months is provided to allow the student to find employment. If a student drops out of school before graduation, repayment of the principal amount commences nine months after the date the student leaves school. Repayment can be scheduled up to

a maximum of 10 years. The Coordinating Board's experience is that most students repay their loans within six years.

- b. Interest is charged at the rate of 7%. Interest charges accrued are paid by the federal government directly to the lender during the time the student is in school and also through the nine month grace period.
- c. Repayment of principal and interest amounts is processed for the Coordinating Board by the Student Loan Servicing Department of the First National Bank of Minneapolis on a contractual basis.

(6.) Funding:

- a. Issuance of Revenue Bonds: The primary source of funding for the program is through the issuance of tax exempt revenue bonds. These bonds are authorized by the state of Minnesota up to a maximum of \$300 million. They are issued by the Coordinating Board and do not carry the "full faith and credit" of the state of Minnesota. Table 14 presents a history of bonds issued by the Coordinating Board and outstanding as of June 30, 1980.

In August 1980, proceeds from the 1980 bond issue of \$55,000,000 were received. After deducting reserves and bond issuance costs, an additional \$46,602,000 was available for student loans. Total funds available for student loans after June 30, 1980 and estimated monthly advances are presented in Table 15.

The Coordinating Board originally planned to return to the market in June of 1981 for additional funding, however, it now appears that due to higher than anticipated demand for loans it will be necessary to do so during the first quarter of 1981.

TABLE 14

STUDENT LOAN REVENUE BONDS ISSUED BY
THE HIGHER EDUCATION COORDINATING BOARD

<u>REVENUE BONDS</u>	<u>ISSUE AMOUNT</u>	<u>ISSUE DATE</u>	<u>DUE DATE</u>	<u>INTEREST RATE</u>	<u>STATUS</u>
I	\$ 29,400,000.00	01-74	04-84	4.8%	Escrowed
II	8,000,000.00	10-75	10-85	6.5	Escrowed
III	10,000,000.00	12-75	10-80	5.75	Escrowed
IV	37,200,000.00	04-76	04-78	5.25	Matured
V	37,000,000.00	10-77	04-80	4.2	Matured
VI	38,250,000.00	08-78	04-82 To 04-89	6.3	Outstanding
VII	100,000,000.00	09-79	04-82 To 04-89	6.14	Outstanding
Total (Note A)	<u>\$258,850,000.00</u>				
Less:					
Escrowed & Matured	121,600,000.00				
Deferred Charges (Note B)	<u>472,778.00</u>				
Total Outstanding 6-30-80	<u>\$137,777,222.00</u>				

(Note A) In June 1980, the HECB issued an additional series of revenue bonds in the amount of \$55,000,000. Funds were received in August. The bonds are due from 4-83 through 4-92. Interest rate 6.97%.

(Note B) Represents balance at 6-30-80 of unamortized bond discount related to issue #VI of 8-78.

TABLE 15

TOTAL FUNDS AVAILABLE FOR STUDENT LOANS AS OF JUNE 30, 1980
AND ESTIMATED MONTHLY ADVANCES TO APRIL 1, 1981

Temporary Investments 6-30-80		\$76,302,482
Less Reserve Funds (Note A)	\$20,737,500	
Less Debt. Svc. Funds	<u>18,994,628</u>	<u>39,732,128</u>
Available To Loan 6-30-80		\$36,570,354
Proceeds of Bond Issue August 1980:		
Principal Amount	\$55,000,000	
Less Reserve Funds (Note A)	(8,250,000)	
Less Debt issue costs	<u>(148,000)</u>	<u>\$46,602,000</u>
Adjusted Available to Loan		\$83,172,354
Schedule of Estimated Disbursements;		
July 1980		(2,224,000)
August 1980		(9,300,000)
September 1980		(13,148,000)
October 1980		(15,638,000)
November 1980		(8,829,000)
December 1980		(7,666,000)
January 1981		(9,933,000)
February 1981		(6,974,000)
March 1981		<u>(8,482,000)</u>
Estimated Balance April 1, 1981		<u>\$ 978,354</u>

(Note A) Covenants of outstanding bond issues require reserve funds of 15% of principal amount.

Increases in volume affect the bond ceilings authorized by the Minnesota Legislature for the Guaranteed Student Loan Program. The present bond ceiling status is outlined in Table 16.

TABLE 16

MINNESOTA STATE STUDENT LOAN PROGRAM BOND CEILING STATUS AND
PROJECTED BOND ISSUES THROUGH JANUARY 1983

Current Bond Ceiling		\$300,000,000
Deduct Outstanding Issues:		
Guaranteed Student Loan Program	(\$193,250,000)	
Medical Loan Program	<u>(3,420,000)</u>	<u>(196,670,000)</u>
Current Balance of Ceiling Available		\$103,330,000
Projected Bond Issues:		
January 12, 1981 Issue		(80,000,000)
Discharge 8-78 Issue - April 1981		38,250,000
June 1981 Issue		(70,000,000)
January 1982 Issue		(80,000,000)
June 1982 Issue		(70,000,000)
January 1983 Issue		<u>(90,000,000)</u>
Projected Balance of Ceiling Available (deficit) - January 1983		<u><u>(\$248,420,000)</u></u>

These projections are based on the assumption of continued growth in the program. Volume is projected to be \$98 million for Fiscal Year 1981 and \$128 million for Fiscal Year 1982.

The Coordinating Board staff intends to ask the Board and the 1981 Legislature to increase the bond ceiling by \$250 million (\$300 million to \$550 million) effective June 1, 1981. Approval of the request will insure that funds are available for student loans through the 1982-83 biennium.

- b. Secondary Market Services: A second source of funds is through the secondary market services of the Student Loan Marketing Association (SLMA). The SLMA is a U.S. chartered private corporation created by the 1972 Amendments to the Higher Education

Act of 1965. The purpose of the SLMA is to provide liquidity to banks, and other lenders in the Guaranteed Student Loan Program. The SLMA develops such liquidity through the following secondary market activities.

- (1) Direct purchases of student loans
- (2) The issuance of forward commitments to purchase loans and thus enhance marketability.

The major source of funding for SLMA activities has been through the issuance of debt obligations which are guaranteed by the Secretary of Education.

Under the terms of an agreement entered into by the HECEB, The Higher Education Assistance Foundation and the SLMA on August 14, 1979, the SLMA will purchase, at the Coordinating Board's option, loans originated prior to June 30, 1984 in amounts not to exceed the following:

<u>Period</u>	<u>Cumulative Amount</u>
6-30-80	\$ 45 million
12-31-80	80 million
6-30-81	100 million
12-31-81	150 million
6-30-82	175 million
6-30-91	200 million

As of June 30, 1980, the Coordinating Board had not exercised any portion of its option under this agreement.

Under a prior agreement with the SLMA, a significant number of loans originated by the Coordinating Board were sold to the SLMA. The SLMA may at its option purchase any additional loans made by the Coordinating Board to individuals involved

in those original sales. To date, the following loans have been sold in this manner:

<u>Date of Sale</u>	<u>Number</u>	<u>Amount</u>
6-76	23,669	\$36,303,952
12-76	6,003	9,809,057
10-77	10,152	14,603,468
12-78	16,585	31,227,498
12-79	565	1,000,426
4-80	2,202	4,624,830
Totals	<u>59,176</u>	<u>\$97,569,231</u>

The proceeds of these sales have been used to escrow or redeem outstanding bonds.

- c. Earnings: A third source of funding is the earnings generated by the operation of the program. As of June 30, 1980 approximately \$6 million of accumulated earnings to June of 1978 were reinvested in student loans.

In August of 1978 the Board issued the \$38,250,000 bonds due serially from 1982 through 1989. Under the terms of this issue, no additional relending of program earnings can be accomplished until the following conditions are met: (1) the principal amount of the August 1978 bond issue is escrowed, (2) one year's interest expense on subsequently issued bonds and one year's program operating expenses are accumulated in the debt service fund. The terms of the subsequent two issues (a) \$100,000,000 of September 1979 and (b) \$55,000,000 of August 1980 contain only the second condition.

The Board intends to escrow the outstanding bonds as quickly as feasible in an effort to accelerate the relending of available funds. However, it should be recognized that during the early growth phase of the program when it is necessary

to go to the market frequently, relending will be more difficult than when the program is fully matured.

(7) Guarantees/Defaults

Under the terms of an agreement dated July 6, 1977 loans made under the Minnesota State Student Loan Program are guaranteed 100% indefinitely by the Higher Education Assistance Foundation, a non-profit corporation which was created to insure loans against default in Minnesota. The Foundation's guarantee is reinsured by the federal government up to a maximum of 100% with a minimum of 80%.

The default rate for determining the federal government's liability for reimbursement to a guarantor is determined annually and is not cumulative; thus, the beginning default rate each year is zero. The computation of the default rate excludes defaults by reason of death, disability or bankruptcy and is based on the original principal amount of loans in repayment.

The Coordinating Board's experience is that defaults primarily occur (1) in the first year of repayment, or (2) by the "drop out" student. Thus, defaults tend to occur most often in the early stages of a loan.

Regardless of the default rate for its loans, the Coordinating Board will receive 100% reimbursement from the Foundation, assuming the Board has complied with the Foundation's requirements. However, the HECB's default rate has a direct impact on the Foundation. Each year the federal government determines the default rate for Minnesota by assessing all loans guaranteed by the Foundation and related defaults from both the Coordina-

ting Board and all private lenders. This ratio will determine the level of reinsurance (80% to 100%) the federal government offers to the Foundation.

The Coordinating Board computes its default rate for Fiscal Year 1980 to be 5.0%. Default rates for future years are projected as follows:

TABLE 17

PROJECTED HECB STUDENT LOAN DEFAULT RATES,
FISCAL YEARS 1981-1991

<u>Fiscal Year</u>	<u>Default Rate</u>
1981	4.2%
1982	2.8%
1983	2.5%
1984	2.3%
1985	2.2%
1986	2.2%
1987	2.1%
1988	2.0%
1989	1.9%
1990	1.9%
1991	1.8%

For 1992 and beyond - 1.8% to 1.9%

These default rates are considerably higher than those experienced by the commercial banking industry in its retail banking portfolios (.5% to 1.0%) for the following reasons:

1. The Coordinating Board makes no credit analysis of the borrower while the banking industry is more selective and lends to the better credit risks.
2. All student loans are unsecured by collateral while the majority of retail banking loans are done on a secured basis.
3. The Coordinating Board's program was started in 1974. Since the student does not enter repayment for approxi-

mately five years, the results to date include a disproportionate share of the problem loans which occur in the early years of the student's college period.

Status:

Statewide Volume Experience

Since the authorization of the state program in 1973, the Coordinating Board's policy has been to encourage as much private lending participation as feasible with the understanding that general economic conditions and regional needs will cause frequent shifts in private participation.

The Coordinating Board has been the major source of funding in Minnesota for student applicants, providing more loans than all private lenders in the state combined. As shown in Figure 3, the Board provided 60% of the loan funds in academic year 1978-79, but this percent fell to 51% in academic year 1979-80. The decrease was due to (a) increased marketing efforts by the Higher Education Assistance Foundation, and (b) a significant increase in interest rates in 1979-80 which made these types of loans more attractive for financial institutions with relatively large and stable sources of low cost funds, i.e. savings and loans, credit unions, and medium sized commercial banks. The number of private institutions participating in the program on June 30, 1979 was 496. By June 30, 1980 the number had increased to 518, as noted in Figure 3.

Figure 4 displays the interest spread (difference between interest income and interest expense) experienced by private lenders in Minnesota since 1977. Larger commercial banks which depend on the money markets for funding have experienced a declining spread since 1977 while smaller retail or consumer oriented banks and other financial institutions have

FIGURE 3

COMPARISON OF STUDENT LOAN FUNDING BY HIGHER EDUCATION COORDINATING BOARD AND PRIVATE LENDERS, ACADMIC YEARS 1978-79 AND 1979-80

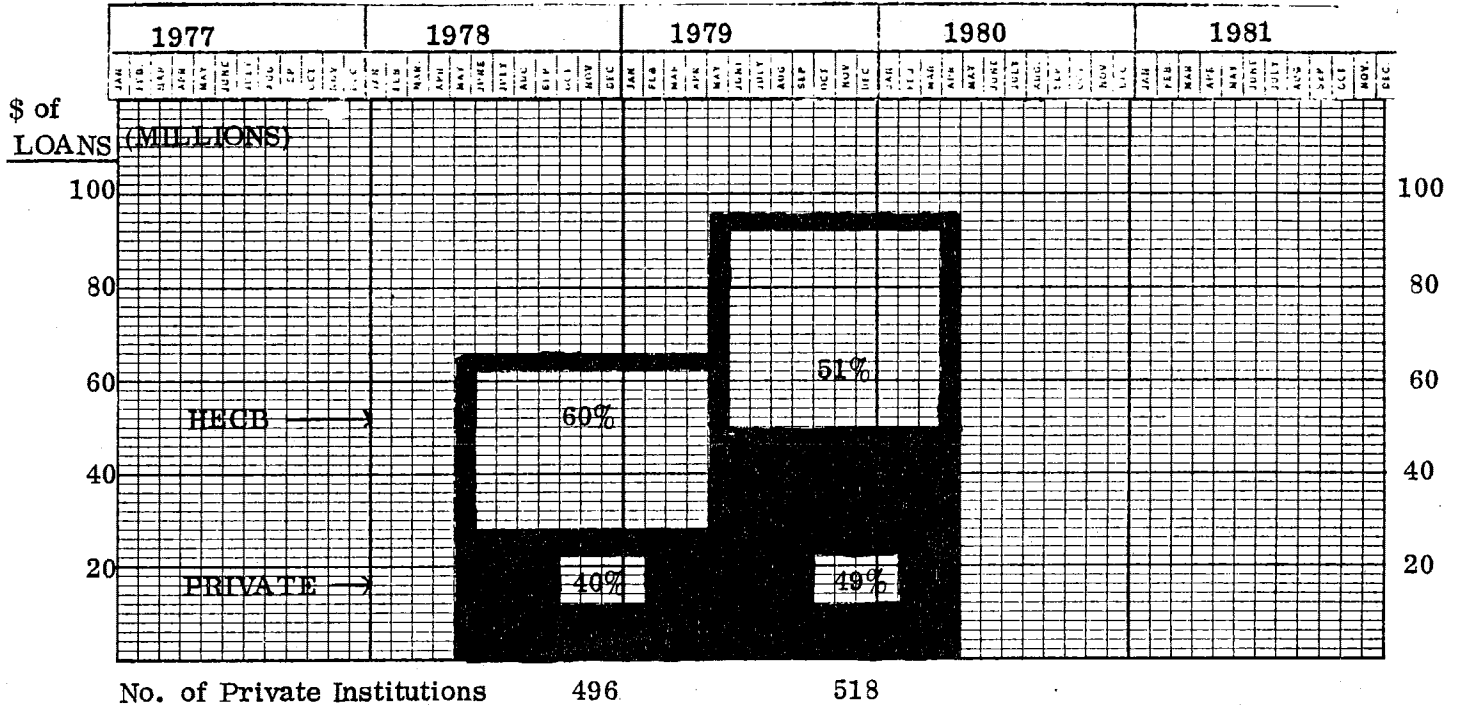
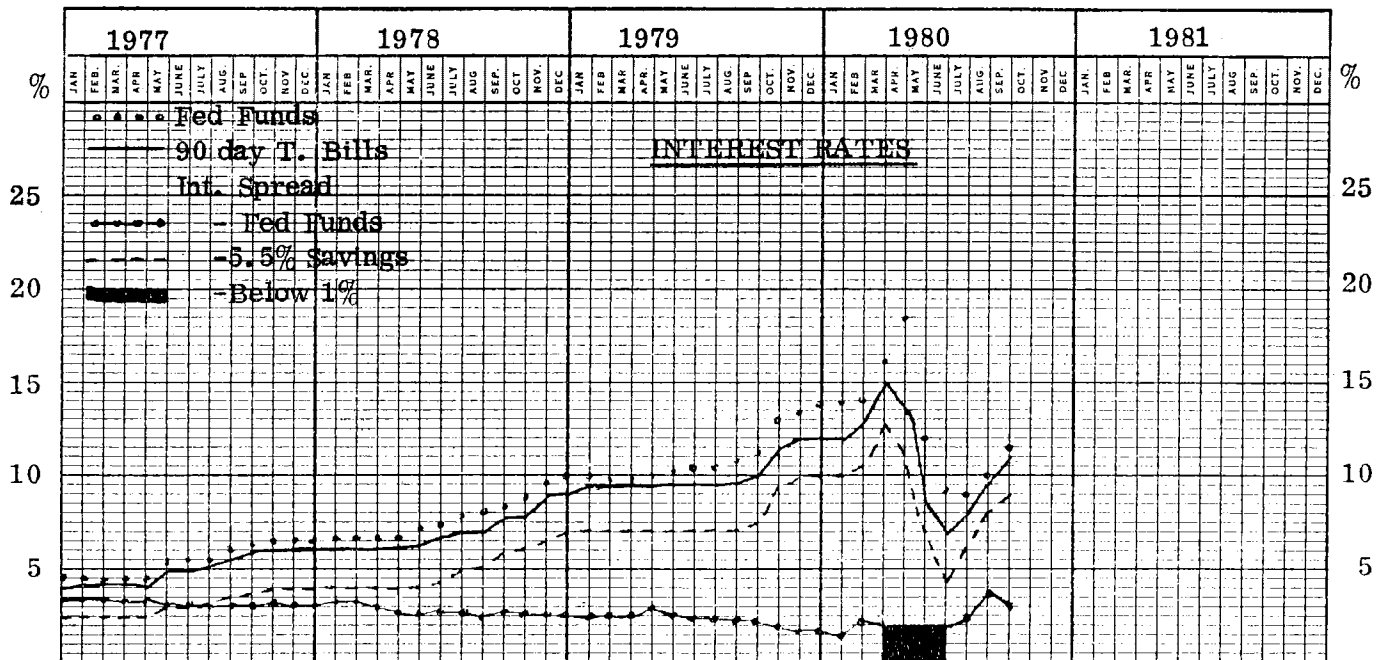


FIGURE 4

INTEREST SPREAD EXPERIENCED BY PRIVATE LENDERS, 1977-1980



experienced an increasing spread. By reference to the Interest Rates chart on Figure 4 the spread September 30, 1980 for retail and commercial banks is estimated below:

TABLE 18

COMPARISON OF NET INTEREST INCOME ON STUDENT LOANS BETWEEN
RETAIL BANKS AND COMMERCIAL BANKS, SEPTEMBER 30, 1980

		<u>Retail Banks</u>	<u>Com'l Banks</u>
Interest on Student Loan		7.0%	7.0%
Federal Special Allowance			
90 day Treasury Bill Rate	11.0%		
Less 3.5%	<u>(3.5)</u>	<u>7.5</u>	<u>7.5</u>
Gross Income on Loans		14.5%	14.5%
Cost of Funds			
Savings Deposits		5.5	
Federal Funds Market			<u>11.5</u>
Net Interest Income (Spread)		<u>9.0%</u>	<u>3.0%</u>

The number of students applying to the program continued to grow in Fiscal Year 1980 both in the private sector and at the Coordinating Board. The estimated size of the student pool eligible for student loans remained relatively stable over the two year period, Fiscal Years 1979-1980; however, the ratio of student borrowers to that pool increased significantly from 21% to 28%, as shown in Figure 5.

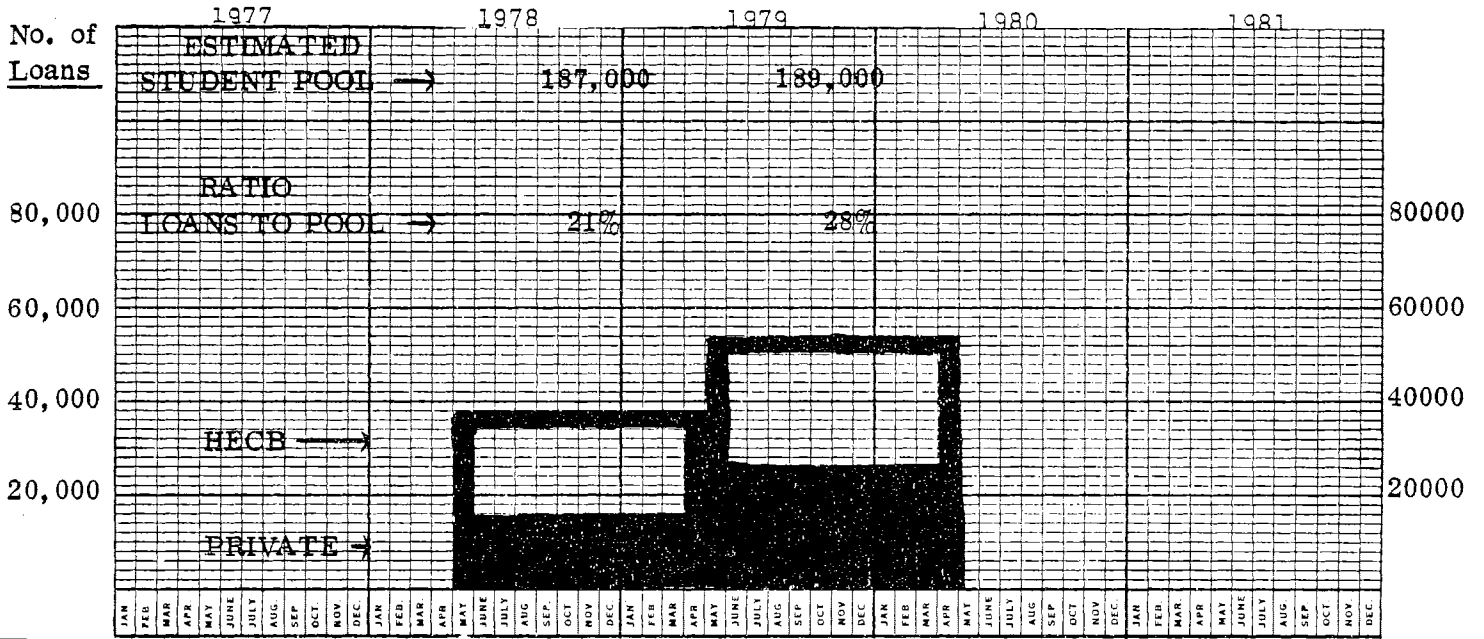
The number of new loans by the Coordinating Board increased from 21,700 with a dollar value of \$38.6 million in Fiscal Year 1979 to 28,856 with a value of \$51.5 million in Fiscal Year 1980. The average loan size increased from \$1,775 to \$1,786 over the same period. These trends are shown in Table 19.

Table 19 also displays the distribution of student loans by system. Significant points are:

1. The largest increase in usage occurred in the University of Minnesota system.
2. Average loans are larger in the University of Minnesota system

FIGURE 5

RATIO OF STUDENT BORROWERS TO STUDENT POOL,
HECB AND PRIVATE LENDERS, FISCAL YEARS 1979 AND 1980



due to participation of graduate students.

3. The "all other" category represents loans made to students who attend two year proprietary schools in Minnesota as well as all schools located in other states.

The number of applicants to the Coordinating Board for the 1980-81 academic year increased dramatically (70%) during May, June, July and August of 1980, over the same period in 1979. This reflected growing use of the program by families of all income levels, as illustrated in Figures 6 and 7.

TABLE 19

DISTRIBUTION OF STATE STUDENT LOANS BY SYSTEM,
FISCAL YEARS 1978-1980

<u>System Distribution</u>	<u>Fiscal Year 78</u>			<u>Fiscal Year 79</u>			<u>Fiscal Year 80</u>		
	<u>Students</u>	<u>\$ Amount</u>	<u>\$ Avg</u>	<u>Students</u>	<u>\$ Amount</u>	<u>\$ Avg</u>	<u>Students</u>	<u>\$ Amount</u>	<u>\$ Avg</u>
Univ. of Minn.	2,364	\$ 5,674,238	2,400	2,748	\$ 6,898,234	2,510	5,055	\$11,031,106	2,292
State Univ.	2,215	3,110,487	1,404	2,611	3,842,636	1,471	3,820	6,105,903	1,598
Cnty. College	741	1,019,823	1,376	901	1,277,463	1,417	1,366	1,930,500	1,413
AVTI	2,429	3,201,556	1,318	2,996	4,146,986	1,384	3,705	5,230,580	1,411
Private 4 Yr.	3,662	5,264,706	1,437	4,770	7,738,350	1,622	4,860	8,344,021	1,717
All Other	4,566	9,465,162	2,072	7,690	14,632,858	1,902	10,050	18,321,531	1,823
TOTAL LOANS	<u>15,977</u>	<u>\$27,735,972</u>	<u>1,736</u>	<u>21,716</u>	<u>\$38,536,527</u>	<u>1,775</u>	<u>28,856</u>	<u>\$51,523,641</u>	<u>1,786</u>

FIGURE 6

NUMBER OF APPLICATIONS TO STATE STUDENT LOAN PROGRAM, 1977-1980

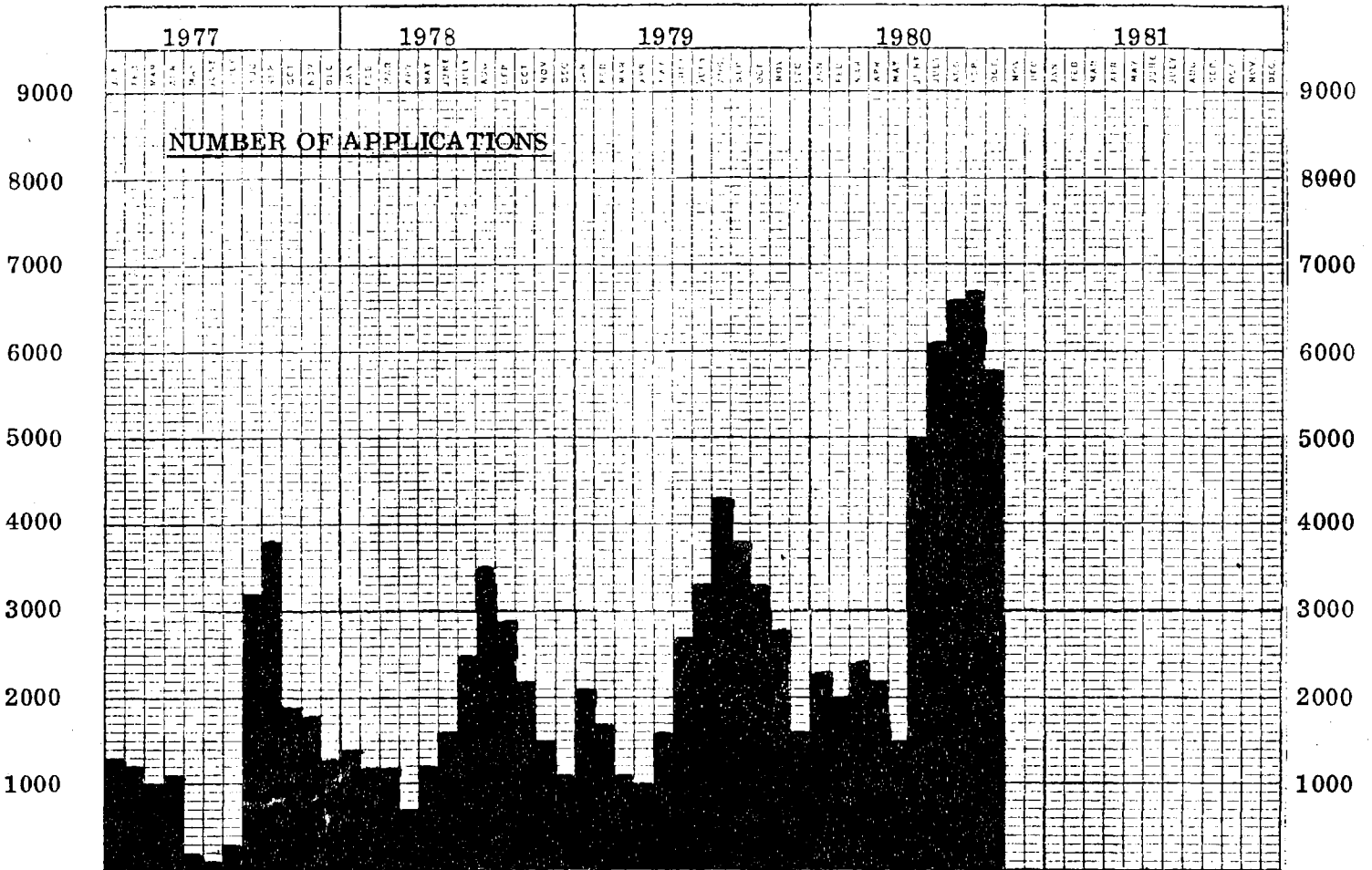
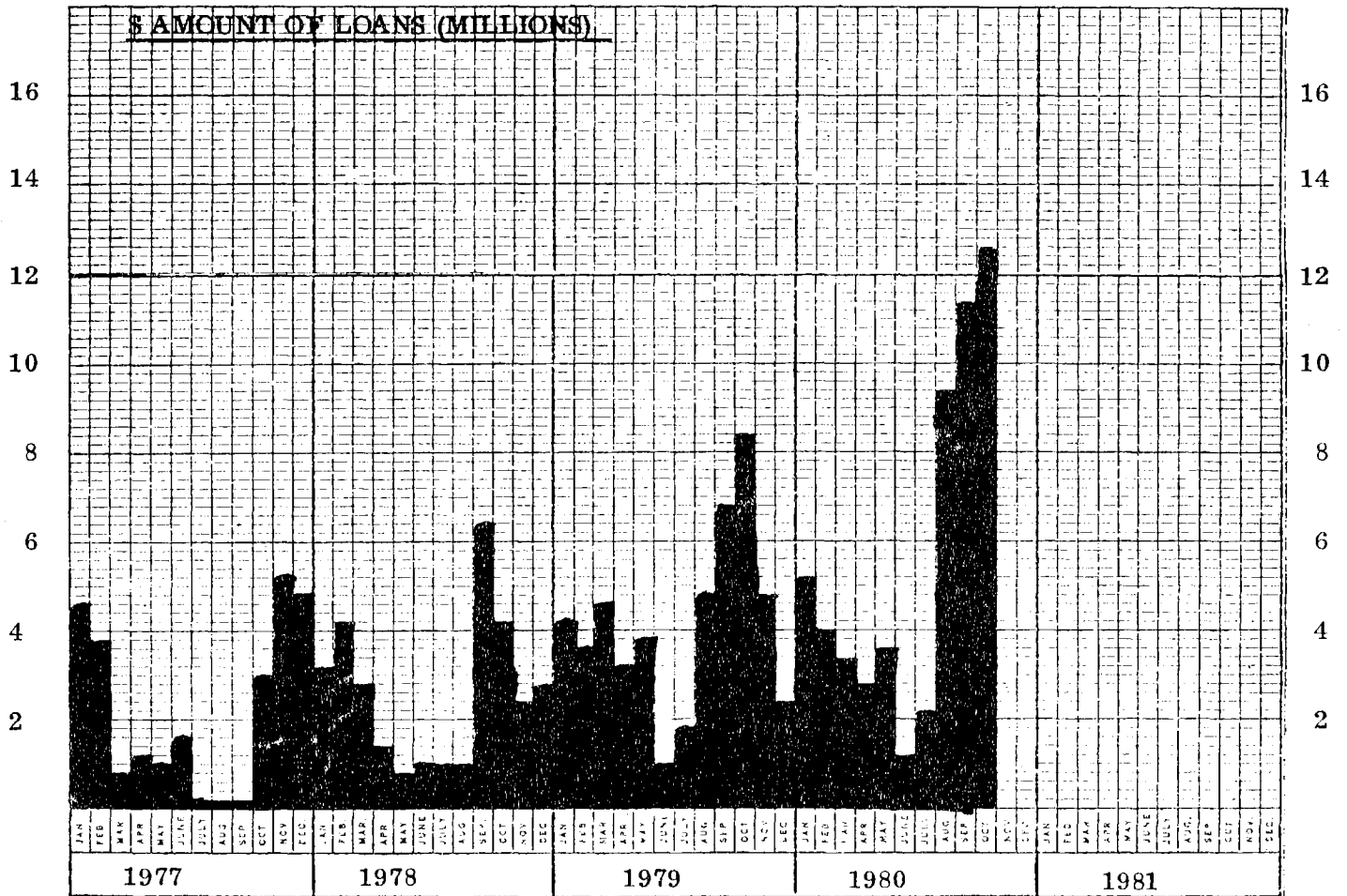


FIGURE 7

DOLLAR AMOUNT OF STUDENT LOANS UNDER
STATE STUDENT LOAN PROGRAM, 1977-1980



2. Medical and Osteopathy Loan Program

Objective: To provide financial assistance to medical and osteopathy students who agree to practice in rural communities in Minnesota designated as areas in need of medical doctors or osteopaths.

Statutory Authority: Minn. Stat. Sections 147.30-33. (1978)

Background: The Medical and Osteopathy Student Loan Program was created by the 1973 Legislature to provide assistance to Minnesota students in medicine or osteopathic medicine who intend to practice in rural areas in Minnesota that have physician shortages. Up to 24 students may enter the program each year. Each student may borrow as much as he or she requires to meet educational expenses, up to \$6,000 per year and up to \$24,000 in total while pursuing a medical or osteopathy degree. Interest is charged at the rate of 8% per year from the time the loan is made. Participants are selected by the Coordinating Board based upon recommendations by the Board

of Medical Examiners. Annually, the Board approves a list of communities in Minnesota which are designated as areas with physician shortages.

Loan recipients may apply to the Board for forgiveness of both interest and principal when they complete their training. If they practice in an approved area of medical shortage for a specified period of years, the loans are forgiven. Otherwise, repayment of both interest and principal is mandated.

The Medical and Osteopathy Student Loan Program is funded by the sale of revenue bonds, as is the State Student Loan Program. Thus, the ceiling on the Coordinating Board's bonding authority affects this program as well as the State Student Loan Program. Therefore, it is also necessary to consider the needs of this program when evaluating the Board's need for increased bonding authority.

Status: Revenue bonds totaling \$3,420,000 have been issued to provide loans to medical and osteopathy students. One hundred eighty students had received \$2,407,353 in loans through the end of Fiscal Year 1980. Eighty-seven of these students are still in school; 54 are interns or residents; 14 are licensed physicians and osteopaths, have established rural practices and are canceling their loan obligations; 25 have completed their education but have elected not to practice in designated rural areas and are repaying their loans.

The Board has recommended that this activity be phased out by not admitting any new participants after fall 1980, by meeting the renewal loan requests of current participants, and by completing all principal and interest payments on outstanding bonds by June 30, 1982.

Based on the limited success in placing physicians in rural areas of high need, the Board believes more direct means and cost-effective options to provide incentives should be explored.

3. Foreign Student Assistance Program

Objective: To provide institutions the opportunity to achieve and maintain a desirable cultural mix in their student populations and to assist foreign students to meet unexpected financial needs.

Statutory Authority: Minn. Stat. Sections 136A.143 - 136A.146 (1978).

Background: The Foreign Student Assistance Program provides loans to foreign students with student visas enrolled in Minnesota public and private post-secondary institutions. Under the program students may obtain loans to pay the difference between resident and non-resident tuition and also may receive emergency loans to meet unexpected financial needs. If students who have received assistance return home after completing their education and do not live in the United States for five years, thereafter, both loan principal and interest are canceled. Students who do live in the United States following completion of training are required to repay their loans in full

with interest computed at the rate of 8% from the date of the loan.

The 1979 Legislature appropriated directly to the University of Minnesota, the funds previously allocated to the Coordinating Board. The Board received \$45,000 per year for the biennium. The University no longer participates in the statewide program.

Status: Approximately 81% of the \$45,000 appropriated for Fiscal Year 1980 was used. Thirty-eight institutions received funds based on the allocation formula used for the program. Of these schools, only 11 were allocated funds in excess of \$1,000. The number of loans made was 103, and the average loan size was \$352.

The Minnesota Higher Education Coordinating Board has recommended that the Foreign Student Assistance Program be phased out effective June 30, 1981 and that necessary funds or transfer discretion be assigned to public institutions with a significant foreign student enrollment. The program is designed to serve a limited number of students at relatively few institutions. Therefore, it would appear to be more effectively administered at the institutions rather than through a central source.

TABLE 20
FOREIGN STUDENT ASSISTANCE PROGRAM AWARD DISTRIBUTION
BY INSTITUTION, FISCAL YEAR 1980

Distribution:	<u>Fiscal 1980</u>
St. Cloud State	\$ 6,700
Mankato State	5,900
Concordia (Moorhead)	4,000
Moorhead State	3,400
Bemidji State	3,000
St. Olaf	3,200
St. Thomas	2,800
Winona State	2,100
Augsburg	1,700
St. Mary's	1,600
No. Hennepin C.C.	1,100
Subtotal	<u>\$35,500</u>
Others Under \$1,000	9,500
Total Appropriation	<u><u>\$45,000</u></u>

C. MINNESOTA WORK-STUDY PROGRAM

Objective: To assist students in meeting their financial needs, to provide students with valuable work experiences, and to provide nonprofit service agencies, handicapped persons, and persons over 65 with student assistance at low cost.

Statutory Authority: Minn. Stat. Sections 136A.233-235 (1978).

Background: The State Work-Study Program was created by the 1975 Legislature to supplement the Federal Work-Study Program. The program provides opportunities for undergraduate post-secondary students enrolled in public and private colleges and vocational schools in Minnesota so that those students may be able financially to attend institutions of their choice.

Student earnings may range from \$100 to \$2,500 per year depending on the number of hours worked and the hourly rates. Federal and state minimum wage laws apply. Eligibility for participation is determined by using standard

"need analysis" criteria with the intent to target this program toward students from middle income families. This program differs from the Federal Work-Study Program in that the federal program, by employing a stricter need analysis criteria, targets its funds toward students from lower income families. Institutions are required to make reasonable efforts to place work-study students in employment with eligible employers outside the institution. Eligible employers other than post-secondary institutions include (a) non-profit, non-sectarian organizations, (b) handicapped persons or (c) persons over 65 who employ a student to provide personal services in or about their homes. In Fiscal Year 1979 approximately 40 percent of the funds used were for these types of off-campus positions.

The typical participant in the program is female, 20 years old, single and dependent upon her parents for support. Her permanent home is in the Twin Cities metropolitan area, and she is an underclassman studying liberal arts at a private four-year institution.

Funding levels for Fiscal Years 1980 and 1981 were \$2.6 million and \$3.6 million.

Status: Work-Study appropriations for the current biennium are being fully used. The utilization rate for Fiscal Year 1980 was 96 percent, and in 1981 it is estimated to be the same or greater. As indicated in Table 21, in Fiscal Year 1980 approximately 5,300 students at 96 institutions participated in the program. Average earnings were \$436. Table 22 shows participation by system. In Fiscal Year 1981 approximately 6,500 students are expected to participate with earnings averaging \$550. The Board's Financial Aid Advisory Committee, which consists of representatives from the various post-secondary systems, reports a continuing increase in the number of students and institutions wishing to participate in the program.

TABLE 21
 STATISTICAL OVERVIEW FOR STATE WORK-STUDY
 PROGRAM, FISCAL YEARS 1979 AND 1980

	<u>Fiscal 79</u>	<u>Fiscal 80</u>
Student Pool	161,615	163,516
No. of Students in Program	4,556	5,307
% of Pool	2.8%	3.2%
\$ Amount of Earnings	\$ 1,512,163	\$ 2,312,678
Average Earnings Per Student	\$332	\$436
No. of Participating Institutions	95	96
Minimum Wages:		
State	2.30	2.90
Federal	2.90	3.10

TABLE 22
 STATE WORK-STUDY AWARDS BY SYSTEM, FISCAL YEARS 1979 AND 1980

<u>System Distribution</u>	<u>Fiscal 79</u>		<u>Fiscal 80</u>	
	<u>Students</u>	<u>\$ Amount</u>	<u>Students</u>	<u>\$ Amount</u>
- U of M	751	\$ 464,682	767	\$ 562,016
- State University	773	313,422	919	493,953
- Community College	592	174,155	677	284,940
- AVTI	1125	224,713	1264	354,725
- Private 4 yr.	1284	322,825	1598	570,453
- Private 2 yr.	31	12,366	82	46,591
Totals	4,556	\$1,512,163	5,307	\$2,312,678

No student family income data is available as of 6-30-80.

D. INTERSTATE TUITION RECIPROCITY

Objective: To increase access and choice for Minnesota post-secondary students, to encourage the maximum use of educational facilities, and to minimize duplication of educational efforts among participating states and institutions.

Statutory Authority: Minn. Stat. Section 136A.08 (1978)

Background: Authorization to enter into reciprocity agreements with neighboring states was one of the first responsibilities assigned to the Higher Education Coordinating Board. Implicit in this authority is recognition that opportunities for post-secondary education should extend beyond state boundaries and that historically states have tended to develop systems of post-secondary education unilaterally without regard to the post-secondary education facilities and programs in contiguous states.

The results of the Board's reciprocity agreements have been the expansion of educational choice for students and the limitation of unnecessary duplication of programs and facilities across state boundaries.

A limited agreement with Wisconsin was initiated in the fall of 1969 and expanded each subsequent year until 1973 when a comprehensive agreement was implemented involving any resident in either state attending public post-secondary institutions. The higher education reciprocity agreement has been linked to the existence of an income tax reciprocity agreement between the two states. Under the Wisconsin agreement, all University of Wisconsin System schools and Center System institutions are eligible. All Minnesota public post-secondary institutions are eligible.

After several years of negotiation the Board achieved a reciprocity agreement with North Dakota which was implemented for the 1975-76 academic year. The North Dakota agreement encompasses all North Dakota public institutions except the locally-controlled junior colleges and all Minnesota public institutions except the public area vocational-technical institutes.

An agreement with South Dakota, similar to the North Dakota agreement, began with the 1978-79 school year.

Two reciprocal agreements involving three post-secondary educational institutions in southwestern Minnesota and two colleges in northwestern Iowa also began in fall 1978. One agreement provides for tuition reciprocity between Pipestone AVTI, Jackson AVTI and Worthington Community College in Minnesota and Iowa Lakes Community College which has campuses in Estherville and Emmetsburg. The second agreement provides for tuition reciprocity between the same three Minnesota institutions and Northwest

Iowa Technical College in Sheldon. Under the agreements, Minnesota residents may be eligible to attend the two Iowa institutions and pay Iowa resident tuition rates and fees. Residents of northwestern Iowa may be eligible to attend the three Minnesota institutions at resident rates. Efforts to obtain a statewide agreement with Iowa have been unsuccessful, but it is hoped that the limited agreements will provide a basis for further discussion between the two states.

Reciprocal tuition agreements enable students to attend public post-secondary institutions in the neighboring states at in-state tuition rates. The programs cover full-time, part-time, undergraduate, and graduate and professional students. Formulas included in the agreements with Wisconsin, North Dakota and South Dakota allow Minnesota to calculate the number of students participating and compute the amounts that each state is to be reimbursed.

In its report to the 1979 Legislature, the Coordinating Board recommended that its staff work to renegotiate the payment formula in the agreement with Wisconsin.

Under the 1973 agreement, the two states calculated the number of participating students and the differences between in state and out-of-state tuition for those students. Because more Minnesota students were attending Wisconsin schools and Wisconsin non-resident rates were higher, Minnesota was paying Wisconsin about \$600 more per student than Wisconsin was paying Minnesota.

In the spring of 1979, meetings between Minnesota and Wisconsin officials to renegotiate the agreement began. The objective was to ensure that the sum paid per student served be the same in both states. A new reimbursement approach has resulted. It is based on the marginal cost of providing

educational services to students participating in the program. Wisconsin receives reimbursement for a portion of institutional costs for each Minnesota resident attending a Wisconsin institution covered under the agreement. The Coordinating Board in October 1979 approved the new 10-year agreement, and it has been ratified by Minnesota's public post-secondary systems and approved by the Wisconsin Legislature. The reimbursement agreement will be reviewed every two years and be subject to legislative appropriations.

Under the agreement, the University of Minnesota School of Veterinary Medicine is to continue to accept 17-24 Wisconsin residents as entering first-year students into the professional veterinary medicine program. The admissions quota provisions are to end the year that Wisconsin admits its first class in its new school of veterinary medicine. Then, veterinary students in either state will be treated in the same manner as all other reciprocity students.

The agreement assures the continuation of income tax reciprocity for residents of Minnesota and Wisconsin who work in one state and live in the other. Under the tax reciprocity, taxpayers file only in their state of residence, and the two states calculate any necessary adjustments.

North and South Dakota receive a sum for each student equaling the weighted average tuition rate reduced to a dollar per credit-hour charge. Minnesota receives like payments from these three states for their residents enrolled in Minnesota institutions. The Iowa agreements do not involve an exchange of funds.

The agreements with North Dakota and South Dakota will remain in effect until substantive changes require further alterations. Administra-

tive memoranda will be drafted annually as needed to implement the agreements. The memorandum with North Dakota provides that the inclusion of area vocational-technical institutes will be under review by appropriate authorities.

Although the statute originally provided for payments from Minnesota to the three neighboring states as necessary under an open appropriation, the 1977 Legislature eliminated several open appropriations accounts, including those for reciprocity. Direct appropriations for the programs with Wisconsin, North Dakota and South Dakota totaled \$10,075,500 for reciprocity in Fiscal Year 1980 and \$9,363,000 in Fiscal Year 1981. Table 23 shows payments by Minnesota in Fiscal Years 1975-1980.

Status: The reciprocal tuition agreements have been successful in meeting student needs by increasing access and choice. Table 24 details the actual and estimated number of students and cost per student for Fiscal Years 1978-1982. The change in average cost per student in Fiscal Year 1981 in the Wisconsin figures reflects the renegotiation of that agreement. Table 25 shows participation patterns for Fiscal Years 1976-1980, and Table 26 shows the participation of Minnesota students in 1978 and 1979 by their county of residence. The growth in participation each year appears to result from more information about available reciprocity options available. The ratio between incoming and outgoing numbers of students between states is primarily a function of population distribution.

TABLE 23

SETTLEMENT PAYMENTS, FISCAL YEARS 1975-1980,
UNDER TUITION RECIPROCITY

Paid by Minnesota

State	Academic Year	Fiscal Year	Amount
Wisconsin	1973-74	1975	\$1,545,683
	1974-75	1976	2,863,028
	1975-76	1977	4,215,429
	1976-77	1978	5,526,094
	1977-78	1979	6,795,884
	1978-79	1980	8,079,256
(Estimated)	1979-80	1981	4,000,000
North Dakota	1975-76	1977	\$ 692,223
	1976-77	1978	775,571
	1977-78	1979	798,710
	1978-79	1980	742,501
	(Estimated)	1979-80	1981
South Dakota	1978-79	1980	\$ 193,310
	(Estimated)	1979-80	1981

TABLE 24

NUMBER OF STUDENTS AND AVERAGE COST PER STUDENT UNDER TUITION RECIPROCITY

Academic Year	77-78	78-79	79-80	80-81	81-82
Fiscal Year	Actual 1978	Actual 1979	Estimated 1980	Estimated 1981	Estimated 1982
Minn. to Wisc.					
Number of Students	5,784	6,335	6,891	7,580	8,338
Average Cost/Student	1,727	1,847	1,161	1,242	1,330
Wisc. to Minn.					
Number of Students	2,709	2,888	3,133	3,383	3,654
Average Cost	1,179	1,254	1,278	1,367	1,463
Minn. to N. Dak.					
Number of Students	3,138	3,506	3,698	4,134	4,570
Average Cost	622	683	730	780	835
N. Dak. to Minn.					
Number of Students	1,854	2,419	2,624	3,070	3,516
Average Cost	622	683	730	780	835
Minn. to S. Dak.					
Number of Students		487	678	678	678
Average Cost		1,092	1,100	1,100	1,100
S. Dak. to Minn.					
Number of Student		310	554	554	554
Average Cost		1,092	1,100	1,100	1,100
Minn. to Iowa					
Number of Students	29	46	64		
Average Cost	---	---	---		
Iowa to Minn.					
Number of Students	56	109	167		
Average Cost	---	---	---		

TABLE 25

PARTICIPATION PATTERNS UNDER TUITION RECIPROcity,
FISCAL YEARS 1976-1980

	<u>Fiscal 76</u>	<u>Fiscal 77</u>	<u>Fiscal 78</u>	<u>Fiscal 79</u>	<u>Fiscal 80</u>
<u>Minnesota Residents in Wisconsin</u>					
UW-Eau Claire	287	339	444	576	748
UW-LaCrosse	442	519	648	706	801
UW-Madison	639	751	866	1,006	1,160
UW-River Falls	1,308	1,528	1,617	1,700	1,777
UW-Stout	927	1,095	1,326	1,466	1,513
UW-Superior	406	458	511	488	458
Other	196	268	352	393	435
Total	4,205	4,958	5,764	6,335	6,892
<u>Wisconsin Residents in Minnesota</u>					
UM-Duluth	148	224	233	198	214
UM-Twin Cities	1,105	1,408	1,691	1,756	1,890
Mankato State	90	106	107	104	105
Winona State	307	300	425	470	606
Other	210	244	253	274	317
Total	1,860	2,282	2,709	2,802	3,132
<u>Minnesota Residents in North Dakota</u>					
University of North Dakota	735	1,012	1,166	1,403	1,404
North Dakota State University	765	1,151	1,444	1,633	1,798
North Dakota School of Science	206	274	293	324	362
Other	77	105	136	146	134
Total	1,783	2,542	3,039	3,506	3,698
<u>North Dakota Residents in Minnesota</u>					
UM-Twin Cities	100	142	182	195	235
Moorhead State	649	1,253	1,605	2,006	2,128
Other	98	149	199	218	261
Total	847	1,544	1,986	2,419	2,624
<u>Minnesota Residents in South Dakota</u>					
South Dakota State University				380	535
South Dakota State M&T				41	39
University South Dakota-Vermillion				40	66
Other				26	38
Total				487	678
<u>South Dakota Residents in Minnesota</u>					
U of M - Twin Cities				136	223
Mankato State University				48	74
Moorhead State University				27	70
S. W. State University				38	61
U of M - Morris				7	47
St. Cloud State University				19	24
Other				35	55
Total				310	554
<u>Minnesota Residents in Iowa</u>					
Iowa Lakes Community College			28	43	61
Northwest Iowa Tech. College			1	3	3
Total			29	46	64
<u>Iowa Residents in Minnesota</u>					
Jackson AVTI			15	53	57
Pipestone AVTI			7	20	7
Worthington Comm. College			34	36	103
Total			50	109	167

TABLE 26

NUMBER AND DISTRIBUTION OF MINNESOTA RESIDENTS
BY COUNTY ATTENDING RECIPROCITY SCHOOLS
FALL 1978 AND 1979

COUNTY Code Name	FALL 1978		FALL 1979	
	# OF STUDENTS	RELATIVE %	# OF STUDENTS	RELATIVE %
01 - Aitkin	17	.16	12	.10
02 - Anoka	212	2.05	232	2.05
03 - Becker	118	1.14	136	1.20
04 - Beltrami	76	.73	82	.72
05 - Benton	17	.16	23	.20
06 - Big Stone	29	.28	25	.22
07 - Blue Earth	54	.52	51	.45
08 - Brown	46	.44	54	.47
09 - Carlton	87	.84	79	.70
10 - Carver	39	.37	45	.39
11 - Cass	46	.44	43	.38
12 - Chippewa	26	.25	36	.31
13 - Chisago	37	.35	45	.39
14 - Clay	354	3.42	403	3.57
15 - Clearwater	27	.26	31	.27
16 - Cook	10	.09	11	.09
17 - Cottonwood	31	.30	31	.27
18 - Crow Wing	45	.43	54	.47
19 - Dakota	508	4.91	605	5.36
20 - Dodge	37	.35	30	.26
21 - Douglas	74	.71	75	.66
22 - Faribault	20	.19	19	.16
23 - Fillmore	60	.58	64	.56
24 - Freeborn	80	.77	102	.90
25 - Goodhue	165	1.59	162	1.43
26 - Grant	48	.46	46	.40
27 - Hennepin	2,004	19.40	2,163	19.17
28 - Houston	197	1.90	222	1.96
29 - Hubbard	38	.36	35	.31
30 - Isanti	16	.15	16	.14
31 - Itasca	59	.59	75	.66
32 - Jackson	35	.33	46	.40
33 - Kanabec	5	.04	8	.07
34 - Kandiyohi	41	.39	51	.45
35 - Kitteson	84	.81	72	.62
36 - Koochiching	23	.22	37	.32
37 - Lac Qui Parle	25	.24	39	.34
38 - Lake	36	.34	34	.30
39 - Lake of the Woods	20	.19	18	.15
40 - Le Sueur	19	.18	18	.15
41 - Lincoln	32	.30	53	.46
42 - Lyon	54	.52	72	.63

COUNTY Code Name	FALL 1978		FALL 1979	
	# OF STUDENTS	RELATIVE %	# OF STUDENTS	RELATIVE %
43 - McLeod	28	.27	29	.25
44 - Mahnomen	25	.24	27	.23
45 - Marshall	127	1.22	126	1.11
46 - Martin	40	.38	30	.26
47 - Meeker	18	.17	14	.12
48 - Mille Lacs	20	.19	17	.15
49 - Morrison	25	.24	23	.20
50 - Mower	137	1.32	140	1.24
51 - Murraray	20	.19	24	.21
52 - Nicollet	34	.32	44	.39
53 - Nobles	45	.43	47	.41
54 - Norman	66	.63	67	.69
55 - Olmsted	414	4.00	453	4.01
56 - Otter Tail	242	2.34	298	2.64
57 - Pennington	98	.94	105	.93
58 - Pine	24	.23	30	.26
59 - Pipestone	36	.34	44	.39
60 - Polk	523	5.06	450	3.98
61 - Pope	24	.23	36	.31
62 - Ramsey	916	8.87	1,025	9.08
63 - Red Lake	38	.36	41	.36
64 - Redwood	38	.36	38	.33
65 - Renville	30	.29	46	.40
66 - Rice	59	.57	66	.58
67 - Rock	31	.30	44	.39
68 - Roseau	52	.50	48	.42
69 - St. Louis	618	5.98	599	5.31
70 - Scott	54	.52	65	.57
71 - Sherburne	21	.20	24	.21
72 - Sibley	15	.14	15	.13
73 - Stearns	135	1.30	138	1.22
74 - Steele	59	.57	70	.62
75 - Stevens	43	.41	46	.40
76 - Swift	29	.28	38	.33
77 - Todd	44	.42	45	.39
78 - Traverse	41	.39	53	.46
79 - Wabasha	46	.44	52	.46
80 - Wadena	45	.43	61	.54
81 - Waseca	21	.20	31	.27
82 - Washington	557	5.39	581	5.15
83 - Watonwan	16	.15	19	.16
84 - Wilkin	153	1.48	162	1.43
85 - Winona	105	1.01	141	1.25
86 - Wright	27	.26	47	.41
87 - Yellow Medicine	30	.29	47	.41
99 - Out of State	202	1.95	278	2.46
NO COUNTY LISTED	4	.02	0	0
		100%		100%

TABLE 27

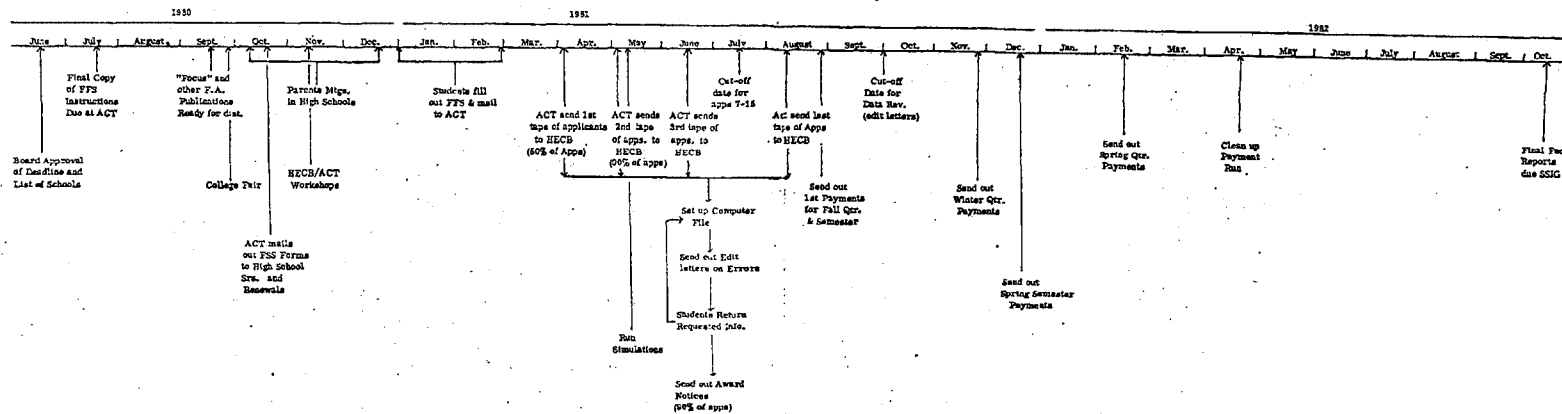
DISTRIBUTION OF MINNESOTA RESIDENTS
BY RECIPROCITY SCHOOL ATTENDED,
FALL 1978 AND 1979

Institution Code Name	Fall 1978		Fall 1979	
	# of Students	Relative %	# of Students	Relative %
100 - UW-Madison	1,006	9.74	1,160	10.28
105 - UW-Milwaukee	62	.60	73	.64
112 - UW-Green Bay	25	.24	40	.35
114 - UW-Parkside	4	.03	9	.07
130 - UW-Eau Claire	576	5.57	748	6.63
135 - UW-La Crosse	706	6.83	810	7.18
140 - UW-Oshkosh	37	.35	46	.40
145 - UW-Platteville	56	.54	63	.55
150 - UW-River Falls	1,700	16.46	1,777	15.75
155 - UW-Stevens Point	173	1.67	177	1.56
160 - UW-Stout	1,466	14.19	1,513	13.41
165 - UW-Superior	488	4.72	460	4.70
170 - UW-Whitewater	24	.23	20	.17
115 - UW-Baraboo/Sauk	0	0	0	0
116 - UW-Manitowoc	0	0	0	0
117 - UW-Barron Co.	6	.05	2	.01
118 - UW-Marathon Co.	0	0	0	0
119 - UW-Fox Valley	0	0	1	0.00
120 - UW-Marinette	0	0	0	0
121 - UW-Fond du Lac	1	0	1	0.00
122 - UW-Marshfield/Wood	4	.03	0	0
123 - UW-Medford	0	0	0	0
124 - UW-Richland Center	0	0	1	0.00
126 - UW-Rock Co.	0	0	0	0
127 - UW-Sheboygan Co.	0	0	0	0
128 - UW-Waukesha Co.	1	0	2	.01
129 - UW-Washington Co.	0	0	0	0
210 - UND	1,401	13.56	1,404	12.44
220 - NDSU-Fargo	1,633	15.81	1,798	15.94
230 - NDSSS	324	3.13	362	3.20
240 - Minot	15	.14	10	.08
250 - Dickinson	11	.10	13	.11
260 - Valley City	27	.26	24	.21
270 - Mayville	82	.79	80	.70
280 - NDSU-Bottineau	11	.10	7	.06
310 - USD-Vermillion	40	.38	66	.58
320 - SDSU	380	3.68	535	4.74
330 - SDSM&T	41	.39	39	.34
340 - Black Hills	7	.06	9	.07
350 - Dakota	8	.07	13	.11
360 - Northern	5	.04	12	.10
370 - USD-Springfield	6	.05	4	.03
Total	10,326	100%	11,279	100%

PART IV
APPENDICES

APPENDIX A.

SCHOLARSHIP AND GRANT TIME LINE, ACADEMIC
YEAR 1981-82



FLOW CHART

GUARANTEED STUDENT LOAN PROGRAM

